THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

September 11, 1948

WILL THE GY HOLD?

AN EDITORIAL

Civil War Enters It's Third Year

Frederick Lee

Another Currency Reform

J. R. Kaim

What Is Happening In Kunming?

Galahad Wood

SELF HELP

AN EDITORIAL

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LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

Common Phenomenon

To The Editor:

Some say that "corruption," in the eyes of the Chinese "lao pai hsing," is not news since it has become a common phenomenon in China. Meanwhile, both the Central and local government always permit, and, in some cases more or less encourage, "corruption." The following is a typical example of how the government adopts an attitude towards corrupt officers.

The *Chen I Pao* (Justice Daily), the CC Clique-controlled semi-official organ, reported on August 17, that the authorities of the Ministry of National Defense have just finished inspecting the corruption case of Wu Tea-yuan and his co-criminals since they were taken to Nanking on April 12. It will take them another few months to dispose of the case.

At the beginning of this year, the Kweiyang Branch of the *Central News Agency*, the KMT's official organ, issued the story of Wu Tea-yuan, Chief (holding the rank of Major-General) of the Supply Depot of the United S. O. S. Headquarters of the Ministry of National Defense at Chan I in Yunnan, Chu Hsi-lien, the Vice-Chief of the No. 2 Branch Depot and Col. Wu Shih-liang being arrested on charges of stealing ammunition, corruption and assassination by order of MOND. They were then taken to Kunming on February 18, 1948 to be tried by high ranking officers of that organization.

Wu Tea-yuan, 45-year-old graduate of Whangpoo Military Academy and a veteran, was once the chief attache of General Tu Li-ming, the ex-Commander of the Kunming Garrison Headquarters in war time. Following V-J Day, Wu, through the introduction of General Tu, was appointed Chief of the said Depot in charge of taking over American surplus war materials at Chan I, the first American air base near Kunming during the war. It is said that the soldiers of Uncle Sam hurried back home so that they did not completely list all the materials in detail but counted roughly in tons when they handed them over to Wu. This was of course a good opportunity for experienced squeezers to go to work.

Fu Bin, the Vice-Chief of the Bedding Factory of No. 2 Branch Depot, who had been accused of being involved in the corruption at MOND was shot on June 2, 1947. Meanwhile, all his properties were confiscated and only his newly-married but pregnant wife survived. Strange to say, while he was detained in jail, Fu had written a detailed story about Wu's corruption and why he became his scapegoat. He gave it to his wife for use, if necessary, in the nick of time. Because Wu since then had broken his promise to support Mrs. Fu, she sent the story to the MOND.

According to the local papers, Wu stole and sold eight truck loads of American munitions to the bandits of Shiuanwei hsien in the east and three trucks of canned food at Chan I in

THE CHINA WEEKLY REVIEW

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(Editor & Publisher, 1918-1947)

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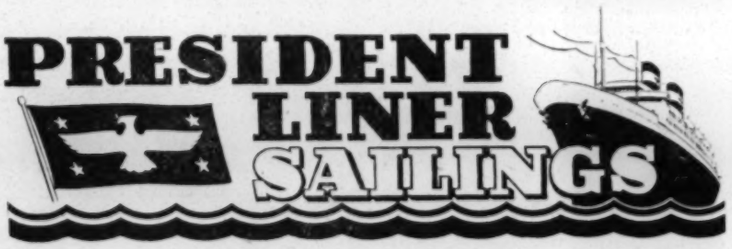

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August 1945; two trucks of bedclothes, stationery, medicine and communication materials at Kunming in September 1945; two trucks of bedclothes at Kweiyang in March, 1946. From April to May in 1945, Wu remitted sums of CNC$800,000,000,000 four times to his home in Hunan. Besides, Wu confiscated a quantity of opium from the "smugglers" in Chan I, Chiuching and Malung hsien.

According to a rough estimate at the beginning of this year, the same local papers said that the total of Wu's ill-gotten money was from CNC$60,-000,000,000 to CNC$100,000,000,000, including 28 gold balls (each weighing one catty), over 5,000 gold tolas, and two original packing cases of American-made carbines, pistols, machineguns and bullets, etc.

In order to turn the wheels of JUSTICE faster and eventually eradicate the evils in China, all people in every walk of life are hoping that the government will mete out justice to Wu and his co-criminals as soon as possible since the facts are already as clear as crystal.

Kunming G. B.
August 16, 1948

Honesty's Wages

To The Editor:

As a Secretary in the "Land Tax and Foodstuff Administrative Office of Tsung Yang" (Hupeh), my father, a poor, honest old man of integrity more than 50 years of age, still struggles for his very existence under great hardships.

At the thought of my father's low salary upon which the lives of a family of eight members depend, I cannot but utter a few bitter words of sympathy for my father as well as for those who are honest functionaries leading a dog's life in various war-stricken parts of this country. Commodity prices and Chinese 'Yin Yuan' (silver dollars) value have soared rapidly in the last few months. But in spite of these rises, I find my father's monthly salary granted by the government still reads only CNC$4,000,000 until now!

Most of my father's colleagues also earn approximately the same amount. According to the present rate of exchange, one Chinese dollar is worth CNC$4,000,000. On the eve of the general collapse of our national economy, how can these honest functionaries maintain a minimum standard of living on such low salaries? Salaries of the 'Hsien Land Tax and Foodstuff Administrative Office' functionaries are paid according to the "Standard of Provincial Treatment." I venture to ask our prudent authorities what they do with their time all day.

While the aforementioned are sticking to their posts, justice demands that there be a readjustment in their standard of treatment. Are the present authorities so indifferent as to let these functionaries with their family members dine with Mahomet with folded hands?

K. C. HSIUNG.

Tsung Yang, Hupeh.
August 2, 1948

Protected Robbers

To The Editor:

The following is an unhappy incident that happened in the suburb of this town not long ago. Since bandits destroyed the motor roads, transportation to this city has long depended on wheelbarrows and carts, and the labor of peddlers who at the risk of their lives convey large quantities of commodities from the robber-stricken areas.

One day six of these peddlers were in charge of several carts of goods and each brought a little purse full of CNC. Evil fate overtook them when these miserable sheep, were not far from this city,

A small gang of ruffians stood in the way and robbed them of their money as well as their goods under the menace of pistols. As these peddlers were refugees who have led a hand to mouth life for a long time, what they possessed in these carts was the life line of their families. They cried out when this happened, that is, they gave the S.O.S. A crowd of people were attracted and ran together to find out the reason. Among these people was the chief officer of the village with some of his armed attendants. The highwaymen were then arrested in spite of their resistance.

It was soon discovered that these ruffians were members of the "Self-defense Militia" which was organized originally for the purpose of protecting the *lao pai hsing*, and was supplied by them. Hearing this news, the commander of the militia, who was formerly a notorious robber, instead of punishing these ruffians threatened the village officer that if he sent them to the local government he would find his family put to the sword and his house burned down.

This is the value of the so-called "Self-defense Militia." While our government boasts of the strength and deeds of this organization, we *lao pai hsing* have a different meaning for the words "self-defense."

CHI CHENG.

Hwaiyuan, Anhwei
August 16, 1948

Liberty Or Death

To The Editor:

The recent skyrocketing prices of commodities and the hardships of life have made me lose interest in expressing personal views on current affairs. The problem facing us becomes a very simple one: democracy or dictatorship, liberty or death. It seems quite unnecessary for us to speak much. What we have to do is wait for the dawning of a new era. But there is one story which I must tell you and your readers.

During and after the Kaifeng battle, many Honan students escaped out of the city for their lives. They went through the "Liberated Areas" en route to Hsuchow, for it was safer to pass that way where there was no battle being fought, and the Reds would not do them any harm.

Unfortunately a great number were detained by the KMT army on the way. Being questioned where they were going, they told the truth and explained they would pass through the "Liberated Areas," but the KMT officers would not believe them. The officers ordered the students to line up in the field and then machinegunned all of them. They thought the students were pro-Communist. Mass murders of young students like this have repeatedly occurred and are still occurring. The number of students thus murdered there amounted to more than 800, it is said.

I believe a man of conscience would shed tears at hearing such a sad and terrible story. After the fall of Kaifeng, many highranking KMT officials were set free by the Reds without sustaining any loss (the government propagandists always depict the Reds as terribly atrocious). The KMT army has boasted itself as very kind to the people, but innocent students were murdered by these blood thirsty officers only on the basis of suspicion. This fact makes me think that the Reds are too human, while the KMT officers have lost reason and are not human beings at all.

C. T. T.

Nanking
August 17, 1948

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—LEONARD CARMICHAEL.

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Gratitude

To The Editor:

All Shanghai is grateful to Maj.-Gen. Chiang Ching-kuo and his men for rounding up some of the leading racketeers of this city, an operation long overdue. These individuals enrich themselves at the expense of the public, causing untold suffering to millions of the people by boosting up the prices of daily necessities, such as food, clothing, paper and cigarettes. As city guild bosses they make use of these medieval institutions which they control to manipulate prices. By their family relations and social connections with the tycoons of the underworld, they are protected and immune from sanctions. They despise laws and regulations because they have always thought that with their gold they could buy off any officer of the law. In fact, under the aegis of the Concessions and the Japanese, they have ruled the underworld for a century. Since V-J Day they form the economic oligarchy of Shanghai. Solidly entrenched in Shanghai society, they defy justice, morality and religion. Proletariat at heart they always carry the "coolie mentality" of the nouveaux-riches.

With all his courage and determination, Chiang Jr. will fail if he does not receive adequate popular support. The reasons are simple enough. He and his aides are greatly outnumbered by their adversaries who also have more experience and better organization. They possess a most formidable weapon, the "saint-seducing gold" in *Romeo and Juliet*.

We have seen how the government failed again and again in the past. For past failures, I feel the public must share the responsibility with the government and the manipulators; for the public has been indifferent and inactive. It "believes in nothing, cares for nothing, seeks to know nothing, interferes with nothing, hates nothing, finds purpose in nothing, and only remains alive because there is nothing it would die for." It is the mortal sin of despair.

We have often heard that the people always get the kind of government it deserves. We might also say that the people always get the kind of economic system they deserve. I feel we should give moral support to Maj.-Gen. Chiang and his men. Here is a young man of robust integrity, a friend of the common people, a fearless reformer who has done something which nobody dared to do in the past. This is the last chance of the government. If Chiang Jr. fails, this city will probably go down in Chinese history as the most wicked city of the time, unassailable in its corruption, injustice and depravity, the hell on earth which the despondent is condemned to live.

A CITIZEN.

Shanghai
September 6, 1948

Prices Again

To The Editor:

According to the *Central Daily News* report of August 29, a clerk in the Police Headquarters of Criminal Law bought a pair of yellow leather shoes on the 26th of August from the Ho-Ming Hat and Shoe shop in Nanking for GY$60 (CNC$180,000,000). This is very surprising news which makes all the salaried workers tremble with fear for it means that with his entire monthly earnings, a public servant can afford to buy nothing except one pair of shoes. Before the new era in currency reform, before August 19, the best quality leather shoes cost only CN$80,000,000—ten days after the reform, prices were raised by CN$100,000,000.

In Soochow, prices on commodities have risen as well; since August 20 the price of rice has gone up GY$.65; cloth has gone up a third in price and most daily necessities by a third as well. All this shows both that the new currency reform is a failure and that the government has broken faith with the people.

In spite of fine-sounding slogans like "Punish the Profiteers," and "Control Commodity Prices," and that many economists have supervised the government economic control scheme and that economic police have visited shops, prices have been sweeping upward. It would seem that the government has done its utmost to control commodity prices and that it has failed because it has not been able to control the people's minds.

Can GY notes stabilize commodity prices? This is a simple question and the answer is—It depends on whether the Government can control military expenditures in order to balance the budget.

H. S. C.

National Honan University
August 29, 1948

Old Money

To The Editor:

With the currency reform decree promulgated and the Gold Yuan notes put into circulation, it is highly interesting for us to know some sad stories in connection with the fapi.

In Canton and towns nearby, CNC has met with a sad fate. People looked at fapi with disgust and generally refused to accept it in large transactions. Stepping into the shoes of the CNC, Hongkong currency has gradually been adopted as the trade medium. Small denomination notes ranging from $10,000 to $50,000 were humorously termed "wet firewood" and absolutely declined by the people. It is beyond comprehension that, while the national banks were trying to recover the small denomination notes as a result of popular complaint, government authorities did not cease delivering this notorious "wet firewood" to public functionaries for their monthly salaries.

With these discouraging stories deeply impressed in the minds of the people, the issue of the Gold Yuan notes simply threw them into a state of confusion. Right after the promulgation of the currency reform, commodity prices in general again rose by leaps and bounds; some merchants even went so far as to discontinue business altogether, waiting for the situation to be clarified. The Gold Yuan notes thus has become a fresh subject for discussion among the people.

The past experiences of fapi taught the people most bitterly. It is understandable why they can by no means cherish much confidence in the newly issued notes and why they share pessimistic views.

With the Civil War intensified to an alarming extent and military appropriations increased day by day, who can assure us that the Gold Yuan notes will not meet with the same fate as the CNC?

ROBERT K. HSU.

Kaiping, Kwangtung
August 30, 1948

Kuling Letter

To The Editor:

As I have read so many nice stories about Kuling during the past I now want to express some critical thoughts about this, in many respects, wonderful place. It is really a good place for recreation and rest and I hope I will be able to return here next year and many more years in the future. But there are disadvantages and they sometimes seem so big that you would prefer to stay down in the heat rather than to go into them. Some I am afraid are common for all foreigners in this country.

You meet the disadvantages immediately when you board the ship on the Yangtze and they don't stop until you leave it again on your trip from Kuling. The ships are not good, not even the saloon-class. Especially bad are the food and the service. And from the time you leave the ship in Kiukiang till you reach your home in Kuling you are subject to a continuous robbing. And you do not get much help from the China Travel Service. They rather give you advice that turns out to cost you tens of millions of dollars every time you are silly enough to follow them, not to mention that they always find out the most expensive way for you and laugh at you, if you try to point out that you do not want to spend money on their special cars. When you come up to Kuling you might find that some of your good neighbors have needed something of your furniture during the past winter or past years. I even know of a mission which has found a whole house moved away down the road, being occupied by some Chinese "caretakers" and they are not able to do anything about the situation.

But all these disadvantages are nothing against the difficulties with money, which have grown even worse after the reform. It is impossible to get any money up here except through the banks and they know it. You only get your own money by special grace from them. Therefore, they find it quite natural to "steal"—I have not been able to find out any more proper name for this—between 15 and 30 percent from every remittance entrusted to them. And moreover they detain every remittance 8-14 days to draw their own interest on the money. It would be cheaper and faster and might be even safer to send a Kuling—kuli down to Shanghai to get the money but that has been made impossible—by whom?—because you can

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not take out more than a certain amount when you leave Shanghai.

If you are in urgent need of money, they tell you that it is impossible to do it faster, apparently unaware of the fact that the telegraph has been invented during the last century. And it is true as one of the employees in a bank said the other day: "We don't know anything." They have never heard anything about "travelers' checks" and say they cannot be exchanged in any place in China other than Shanghai and even there they say you have to wait till the check has been cashed in America to get your money! Do you think China will ever be able to receive any tourists?

As a newcomer to the country, this is the first time I have had any real contact with Chinese banks but as I understand from other people that this is nothing extraordinary, I think I have seen one of the reasons for the bad situation of the country. The banks seem to hinder instead of help the commercial life of the country as a whole. And besides that, they really terrorize us foreigners who do not make money in the country but depend on money sent to us from outside.

During the war, China had a very fine goodwill throughout the world but it is now quickly disappearing. The soldiers—see the "Stilwell Papers"—the businessmen and the relief workers are telling the many bad inside experiences from their time spent here and now there are only the missionaries who still want to hope and work for the country. Their faith and their hope saves them from hatred and disdain but is it really necessary to make life difficult for them? Even they might some day get tired of telling nice Sunday school stories and could start to give the other view of the country.

SWEDISH MISSIONARY.

Kuling
September 4, 1948

World Government

To The Editor:

Prime Minister Pandit Nehru in his interview celebrating one year of Indian independence said that the world would eventually face suicide unless it evolves some form of global federation in which the Anglo-Americans and the Russians can live together.

The principle of establishing world government or confederation mondiale has been promoted by Professor Albert Einstein, Dr. S. T. Lee, Dr. C. C. Chang and others. Of course we all agree with this principle especially since international relations have deteriorated so frighteningly since V-J day. So far no organization has been functioning through which the peoples of the world and the governments of the world could work together. Had the United Nations Organization actually been functioning before V-E day, the present unhappy state of affairs could have been avoided. If the people of the world abandon the United Nations, they will one day have chaos.

1. The world government must possess military power, the secret of the atom bomb, and the military strength of each country in the world should be committed to the world organization.

2. Today in many parts of the world people pay too much attention to the interests of their own country. Internationalism should be fostered rather than narrow nationalism. There should be universal love rather than narrative love which, as Nehru said, should be based not primarily on legalities but on psychological changes in the minds of people.

The main problem still remains—can the United States and the Soviet Union cooperate wholeheartedly in such a world government?

FLYING DRAGON CHOW.

Shanghai
August 17, 1948

Teacher's Plight

To The Editor:

Thank you very much for your complimentary copy of the *Review* and your letter of the ninth. How happy both of these made me.

Owing to the poor monthly salary, payments in arrears, it will probably be impossible for me to continue as a Chinese teacher in this school (That is why I have had to discontinue my subscription.) If circumstances improve in the future I will renew my subscription.

T. S. S.

Provincial Girls' Normal School
Sheh-hsin, Anhwei
August 13, 1948

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Vol. 111 Shanghai, Saturday, September 4, 1948 No. 1

Will The Gold Yuan Hold?

ALTHOUGH there scarcely has been time to observe the new Gold Yuan currency long enough to determine how successful it will be, there do seem to be a few indications of how things may go. Contrary to the generally expressed opinion, we are not wholly pessimistic. However, neither are we completely optimistic. As things look now, it seems to us that at the worst, the new currency may be kept relatively stable for the next couple of months. On the other hand it is possible for the Gold Yuan to serve as a useful currency for a considerable period.

From the theoretical economic point of view, the CNC was not hopelessly inflated at the time of the currency conversion. Many economists are of the opinion that it might have been made to do for perhaps another three to six months. Also from a theoretical point of view it is possible to stop inflation, halt price increases and stabilize the nation's currency for years to come with the new currency.

On the optimistic side there are several points well worth noting. First, the reason CNC was dropping in value so rapidly was largely because of the public's lack of confidence. This resulted in an ever increasing velocity of circulation. It was only human nature for every possessor of CNC to buy something solid as soon as he could. As public confidence fell, the speed with which money changed hands became greater and greater and, in almost direct relation to the speed of circulation, the value fell. This, largely, was a matter of public confidence.

The key issue with the new currency, in our view, is again one of public confidence. If the people can be convinced that the new currency is "good," i.e. actually has a real and constant value, the velocity will slow down to a level approximating the prewar rate. There are various estimates of the velocity of the old CNC, most being between 15 and 20 times the prewar rate. If the velocity of circulation of the Gold Yuan should approximate that of CNC in, say, 1936, then the need for more Gold Yuan notes will be tremendous and the Government very likely could finance its deficit simply by printing enough currency to meet public demand. Such a system might carry Government finance along for a year without any inflation of the currency.

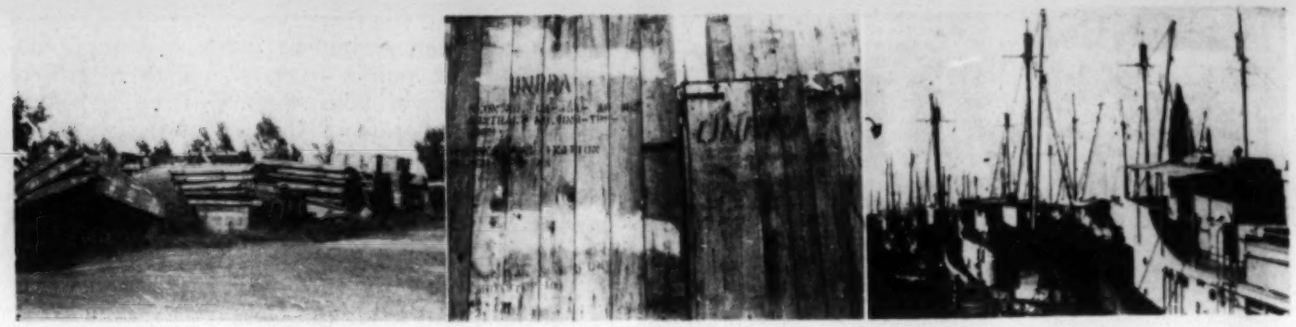
The added factors of selling out the Government's assets could prolong the process for perhaps another year or so, especially considering the current American aid program.

Thus, providing the public's confidence can be obtained and held, the Gold Yuan could serve as a useful and stable currency for at least two years, during which, presumably, a great many internal reforms might be carried out which would place the country's economy on a sounder basis. It is altogether possible that these measures could be accomplished and the currency stabilized for a lengthy period despite the Civil War, providing that the fighting continues at its present slow pace.

On the pessimistic side, though, there are several factors which must be considered. First and foremost is whether or not the public's confidence in the new currency can be established. Considering the generally bad reputation the Government has acquired for itself in financial matters, it will take herculean efforts to establish public confidence in the Gold Yuan. Many people, if one is to believe the generally expressed views of observers, simply refuse to believe that the Government can leave the printing presses alone, despite the fact that it can be proved by economic laws that if confidence exists and there is a consequent drop in velocity of circulation, the Government's won't have to inflate the currency for at least a year or two. This is indeed a tough problem and one which only a little more time will answer.

Another question which will come up eventually is one of Government revenue. For the time being, this will not be much of a problem as the authorities have started dumping a large quantity of various goods on the markets. However, will the Government be able to reorganize its finances sufficiently during this period of "selling its capital," so that when the "capital" is gone sufficient revenue can be obtained from regular methods of taxation? Again, we cannot know the answer now. However, we might guess that on the basis of past experience, the Government's revenue system will not be in adequate shape when it is again called upon to take over the burden of financing national expenditures.

Perhaps the chief factor effecting public confidence is the Civil War. If the Government continues to lose ground as it has during the past year, it will be almost impossible to keep the confidence and support of the people. This, naturally, is the biggest "if" facing Nanking today. "If" the Civil War fronts can be stabilized, a great measure of support will be forthcoming from considerable sections of the public. "If" the Government can launch a general offensive against the Communists, confidence would swing up quickly. However, the present military situation, plus the Government's attitude toward the



A block-long line of rotting pre-fabricated barges lies unused in picture at left. Center picture shows a few of the perhaps thousands of as yet uncrated boxes of UNRRA supplies, while picture at right is a partial view of UNRRA fishing boats lying idle at the FRA dock on Point Island.

many problems admittedly besetting it, will not gain much support from the people.

If the currency conversion and the other economic reform measures accompanying it fail, the Government will have only itself to blame. The idea is generally sound economically and was more carefully thought out beforehand than most previous "reform" measures, although there is some evidence of haste and lack of consideration of all angles. The Government has a bad reputation economically which it must overcome by honesty and straightforwardness in carrying out the provisions of the new plan. The Government has the power to do this, but if it fails, it will have lost what has already been called by more than one Nanking official its "last chance."

Self Help

FOR the past few years there has been considerable talk in this country about self help. Former Premier T. V. Soong, in a speech made in London shortly before the end of the war, we believe, told the world that China was determined to modernize and industrialize, with or without foreign help. He said in effect that the Government hoped various foreign nations would come to China's aid in the postwar period with funds and advice, but that if they didn't the Chungking Government was determined to do it by itself by tightening the country's belt and proceeding along a course of rigidly controlled economy somewhat similar to the path trod by the Russians.

Following VJ Day such threatened self discipline appeared unnecessary, as the United Nations, though the agency of UNRRA, stepped in to help. The American financed China Relief Mission followed UNRRA and now we have the ECA. However, despite this help from abroad, conditions in this country have steadily worsened, largely because of the Civil War but also because of the shortcomings of the Central Government.

Despite the constant deterioration, various attempts to tighten the national belt have been generally half-hearted and certainly not well thought out. On occasion, premiers have again brought up the question of self help. Former Premier Chang Chun, who not so long ago followed ex-Premiers H. H. Kung and T. V. Soong from public office, enunciated a 10 point self help program which he pledged China to follow whether or not America came through with some more "outside" help. The outside help seems to have arrived, but as yet the development of self help is only in the beginning stages, although we have been impressed with the energy and apparent sincerity with which the Government has attempted to enforce the various regulations supplementing its currency conversion measures. While it is a pity that Nanking has waited so long to make a serious effort to stabilize the nation's economy, it is encouraging to see some self help in the offing.

It is understood that in conferences with members of the Stillman Mission and the Lapham group this subject of China's aiding herself frequently cropped up. Spurred on by top officials who are convinced that this is the last chance for the Kuomintang, bureaus and bureaucrats which for the past year or two have functioned mainly as obstacles to any program of action have started to discharge their duties. Some 200,000 tons of Government-held surplus consumer goods have been earmarked for retail sales here. Their value is put at approximately US$40,000,000 and their sale should go a long way toward providing the Government with ready cash for fighting the Civil War and running the country. Whoever is responsible for prying official fingers loose from this valuable cargo which has been held tightly for a year or two deserves to be congratulated.

It is also understood that many other depots filled with supplies held since UNRRA days, as well as large quantities of surplus goods bought shortly after VJ Day from the United States on a loan basis, are to be sorted out and put to use, either directly by the Government or through sale to the public. We recently made a tour of some of these depots which are located on Point Island and were encouraged to note that there seemed to be a bit of activity in many of the dumps which presumably have been more or less idle in the past.

Much of the vast quantity of material on Point Island has been going to ruin rapidly. However, there is still quite a bit left which can be put to good use. Some of it can be used for rural and other types of reconstruction by the Government, while a lot of it can be sold to local industrialists and businessmen. Some, it is

Photo at left shows a row of small farming tractors which have been readied for use at an AMOMO depot on Point Island. This is one of few examples of UNRRA supplies being put to good use. Center picture is general view of one rotting dump of miscellaneous cargo slowly being engulfed by trees and weeds. Picture at right is another view of jumbled crates and boxes, some emptied, some smashed and some as yet untouched. Cranes in background are in another dump and are apparently being used to help sort out useful materials since life began stirring again in Point Island depots.

rumored, will even be sold to the Americans who are prepared to repurchase needed materials for ECA work in China. While this is a neat trick, if the concerned officials can get away with it, the really important thing is that the Government at long last seems to be getting ready to function.

* * *

THE history of how China has not helped herself during the past three years is well known to all and needs no lengthy repetition. However, a few comments might be made here in the interest of showing what should not be done, both from the Chinese and American side. While UNRRA brought much useful material to China, it also brought in a lot of goods which were utterly useless to China. The same goes for China's credit purchases of US surplus property from the Pacific. Also, the shipping of much of this material to China was not well organized and was done without adequate knowledge of what China needed or could use or how fast it could consume foreign aid.

Upper photo is view along road lined with useless construction machinery, which should never have been sent to China. Each machine has four tires, which despite their appearance in picture, are flat and half rotten, and originally cost US$300 apiece. Lower photo is closeup of one machine showing how weeds, vines and other growth are slowly covering this equipment. Size of these earth-moving machines can be determined by man carrying water buckets in center of road.

One result was the dumping of thousands of tons of usable and non-usable stuff on Shanghai's docks. Even now some of it has not yet been inventoried by the various UNRRA caretaker organizations. There are huge dumps of unsorted, unprotected machinery and various other kinds of goods lying in BOSEY, AMOMO and other organizational dumps on Point Island today. While the standard official excuse has been that much of the material is useless, the fact is that there are great quantities of very useful materials lying around in the sun and rain which should have been disposed of long ago. Thousands of board feet of scarce lumber are piled up in more than one dump, some of which already shows the effects of too long exposure to weather. Dozens of UNRRA donated deep sea fishing boats are lying idle, some listing badly and, one might almost presume, will lie in their present moorings until they sink. Several huge cranes stand idle and are rusting away which could well be used on Shanghai's docks or in the nation's various railway yards. Along a road beside one dump there is a block long line of uncrated, but not yet assembled, prefabricated barges which might just as well be plying the rivers and canals of China. Across the road lies a block long row of jumbled timbers which presumably were the barge crates—a crime in a timber short country like China. Many other items such as spools of lead covered cable, giant piles of iron pipe, gasoline engines, etc. which are lying about exposed to the weather may be seen in each depot.

Perhaps some of the most spectacular collections consist of materials which should never have been shipped to China, since this country

cannot be expected to have the ability to use them for decades yet. There is nearly a quarter mile section of road outside one depot lined on both sides with huge earth moving machines for road or airfield construction. While these machines, each one about as big as an Army truck, are of no use to China, it is depressing to see them rusting into scrap with their US$300 tires (four to a machine) already flat and rotting apart. Diesel engines, which do not have all their vital parts, are another item of little or no use to China, or anybody else. There are other types of stuff, mostly of a large or complicated nature, which could have been put to good use elsewhere.

While there now appears to be considerable activity in some of these depots (about a hundred small farm tractors were being readied for use at one place) the fact that the materials have lain unused for so long—still visible stencils with UNRRA labels or addresses such as "Rangoon" indicate the age of some of the equipment—is nothing short of criminal negligence.

It would appear that a serious attempt toward self help is about to get underway. Let us hope so.

A Breathing Spell

ON more than one occasion we have said that this city's economy cannot be made stable by police measures alone. While we still are of that opinion, we might modify it a little in view of the current activities of Shanghai's economic czar, General Chiang Ching-kuo, eldest son of Generalissimo Chiang.

Our scorn of the effectiveness of police measures has always in the past been based largely on the belief — proved each time — that the authorities lacked either the inclination or the power really to crack down on the major speculators and disturbers of the financial and commodity markets. In the past each set of new "emergency" economic regulations has been followed by a period of raids by economic investigators and the arrest of a few handfuls of minor offenders, plus one or two fairly big fish. This has been the extent of the "police action" heretofore and, therefore, we had every reason to believe that the latest one would conform to pattern.

However, it would seem that we did not greet the new regulations in the proper spirit. So far—and it has been nearly three weeks—the crackdown has been increasing in intensity. Bigger and bigger game are being caught and the public on the sidelines is getting a real pleasure from watching Chiang Ching-kuo's activities. While we must wait a bit longer before passing absolute judgment, present indications are most encouraging.

Meanwhile, we still believe that arrests, executions, etc. are not an end in themselves. One may be really encouraged if it develops that the authorities are using this period of grace given them by Chiang Ching-kuo to put into effect more and more basic reforms aimed at realistically reorganizing the city's economy.

25 Years Ago In *The Weekly Review*

September 8, 1923.

Essential Friendliness

The fundamentals of the Russian situation are pretty generally understood in the United States. We are constantly made aware of this in the Department of State by the various ways in which public opinion makes itself felt in the seat of Government. We learn of the hope of America that Russia should have the opportunity of free political expression and that she should be enabled to restore her economic life and regain prosperity and once more to take her place among the nations on the basis of mutual helpfulness and respect. There can be no question of the sincere friendliness of the American people toward the Russian people. And there is for this very reason a strong desire that nothing should be done to place the seal of approval on the tyrannical measures that have been adopted in Russia or to take any action which might retard the gradual reassertion of the Russian people of their right to live in freedom.—Charles Evans Hughes, in explanation to Samuel Gompers of America's non-recognition of the Soviet Union.

* * *

The New Revolution

Of course, no one knows exactly just when the new revolution in China will occur, but everybody is convinced that the so-called republic will not be on the way to reunification until after it has been fought. Nor does any one seem to know just where it will have its origin, although there are many signs that it is in the making. Even more obscure is the leadership. There are many possibilities, but there are factors which seem to eliminate all of them—that is until after the start has been made, when there will be half a dozen or more who will be found lining up their following with the faction that makes the first move to rid the Peking government of the Tientsin clique of the Chihli party, which seems to have fastened its leeches to what remains of the revenues flowing in the direction of the capital.

10 Years Ago In *The China Weekly Review*

September 10, 1938.

Letter to the Editor

Thought you might be interested in an editorial comment appearing in the Japanese-owned *Peking Chronicle*. It has been my understanding that the main and oft-heralded reason for the Japanese invasion of China was "Anti-Comintern," together with their pals Hitler and Mussolini. Now this Japanese-owned propaganda sheet says the Shansi Reds are no more Red than President Roosevelt. You might ask the Japanese officials in Shanghai through the *Review* to make up their minds.....Anyway, the *Peking Chronicle* had this to say: "At the same time the capture of Sianfu would weaken the position of the so-called Reds in Shansi who, in our honest opinion, are no more Red than President Roosevelt, but who have adopted the name for political reasons."

AN INNOCENT ABROAD.

* * *

Insistence On Resistance

Q. What is the present function of the Communist Party in China?

A. Its present function consists in its insistence on the war of resistance, its insistence on the united front, and its insistence on "sustained warfare."..... What is meant by "insistence on resistance?" a question still exists whether China should come to compromise with Japan or continue to resist her. The Chinese Communist Party is for fighting it out to the finish and against stopping to compromise—from an interview with Mao Tse-tung by a delegation of the World Youth Conference.

WHAT IS HAPPENING IN KUNMING?

Galahad Wood

(Special Correspondent, The China Weekly Review)

DESPITE pressure by provincial authorities, students in Kunming demonstrated against America's Japan policy on June 17, shouting slogans and singing songs, among them, "Down with the Reactionary Government." The same afternoon armed gendarmes and police arrested over 40 of the students as they were returning to their schools after the demonstration.

On the afternoon of the next day, 77 student representatives petitioned the Yunnan Provincial Garrison Headquarters to release the arrested students, on the grounds that their "patriotic demonstration" was perfectly within the law, but the Garrison Headquarters turned down their request and replied by arresting four of the representatives on the spot, charging them as "supervisors" of the demonstration. The students retaliated by a general strike of students throughout Kunming, and the "All-Student Anti-Persecution Anti-US Union," which ran wall newspapers and demonstrations, was organized.

More Arrests

Meanwhile the government, in an attempt to eliminate "Communists," ordered more arrests. By midnight of June 29, the Garrison Headquarters had arrested three girl students and a Miss Tuan Hsi-hwa, a teacher at Chien Ming Middle school, who was living with the three girls. *Central News* reported that the three students had been denounced by their schoolmates as judges in a "Democratic Court" at the school, and as being closely connected with underground channels, but other sources said the teacher had been arrested simply because she had made a fiery and moving speech at a students' meeting.

"Union is Strength," the Students' Union proclaimed. All students who believed in the Union's program assembled at Yunnan University and Nan Ch'ing Middle School and on July first, hundreds of students who made open and public speeches to explain the reason for the demonstrations and strike were beaten up by the police and over 20 were arrested. The situation became worse each day. On July second, gendarmes and police broke into Yunnan University and Nan Ch'ing School and arrested students whom they termed "Communists." Both the school and university found their supply of electricity and water cut, and a curfew was declared in the surrounding districts. Any students who went out to buy food disappeared, and the 1,000 students in the school compounds were reduced to a near-starvation level, eating only a small piece of potato each day. The school authorities, washing their hands like Pontius Pilate, declared the schools closed till further notice, and ordered the students home.

Garrison Headquarters decided to sing another tune. They told the students, particularly those from the outlying districts, that they would be provided with free transportation home. Then, at the railway and bus stations, they took the opportunity to arrest more of them. On July 8, a teacher of Tien Hsiang Middle School was arrested outside Nan Ch'ing School and the police, while taking him away, fired on a group of students that rushed to his rescue, severely wounding three of them.

Open Letter

Disturbed at the situation, nine Provincial Councillors and 231 leaders of the community had sent an open letter to the Commander of the Garrison Headquarters, General Ho Shaw-chow, requesting that the students be released immediately unless they had been found guilty in accordance with the law, and on July 8, 182 teachers and professors issued an open letter to the public, making the following recommendations:

1). The Provincial Authorities should stop beating up and arresting students.

2). If there were evidence of Communist affiliation, the suspect should not be arrested secretly, but according to habeas corpus. Any students so arrested should be tried in accordance with the law.

3). Students should await the decision of the government and of the proper courts, and in the meantime resume their studies.

After deliberation, the Ministry of Education sent Councillor Liu Ing-shih to Kunming on the 13th, to settle the student disturbances. The students welcomed him, but alas! Mr. Liu proved of little avail. On July 15, at dawn, several hundred gendarmes and police attacked Yunnan University and Nan Ch'ing School, and under cover of heavy fire (though not *at* the students) a group of them climbed on to the roofs and got down into the school buildings. Students and teachers were rounded up and beaten, and a girl student who shouted "Stop! Stop! Chinese must not fight Chinese!" through the loud speaker received a bayonet thrust. Wei Tse-shing, principal of Nan Ch'ing, was so severely wounded that he had to be taken to a hospital. By noon, the students, who were armed only with bricks and stones, had to surrender to the "conquerors."

Using the same tactics, and added by smoke bombs, gendarmes occupied the first and second floors of Hweitzeh Hall, biggest building of Yunnan University, but the 360-odd students resisted successfully, fighting them from the balcony after the staircase had been destroyed. By July 16, when a reconnaissance plane flew low over the university to ascertain the situation, the students were half-starved and cut off from outside, but they had held the enemy at bay.

Finally on the afternoon of the 16th Governor Lu Han, standing on a platform near Hweitzeh Hall, called to the students and guaranteed their safety if they would come down. The battle was over. But the university, as well as the students, had suffered. When your correspondent looked over the library and the science department he found books, specimens, scientific apparatus and window glass, lying smashed on the floor. The authorities estimated the damage at CNC$90,000,000,000, probably too low a figure.

Put In Camp

On July 19, *Central News* carried a story that 192 students under 15 years of age had been released through guarantors, and that "Communists" or "bad elements" (still said to be detained by the police and Garrison Headquarters) would be tried by the Special Tribunal on the 29th. The rest were rounded up and placed in a central camp, where, beginning from July 26 and through till the next semester, the provincial Department of Education and the Garrison Headquarters would teach them the sort of thoughts the government expected of students.

I was fortunate enough to visit central school, located at Nan Ch'ing School, where I interviewed some of those detained there. The following, briefly, is the text of the interview:

"The *Yunnan News* (KMT controlled) reported, on July 21, that the police had discovered 'confidential and secret documents' issued by the Communist Party to students, together with a broken transmitter and a set of antennae, which students used to contact 'bandit' groups outside Kunming. Is this true?" I asked in a whisper.

"The government seems to think any students who protest against infringement of rights or bad government are 'Communists' or 'fellow travelers.' But how was it the secret police only found these things *after* the incident? We were on the balcony, fighting the police, for two days. Don't you think we would have had plenty of time to destroy them if they had been there?"

"Is it true, as the *Yunnan News* says, that the students were the ones who wrecked the university hall?"

"Mr. Correspondent, you take great care of your Parker 51, your

dictionary, your typewriter. They're the tools of our trade. Why should we want to destroy books and scientific instruments? They're *our* tools of trade. Although we're called "bandits" we never robbed anyone. As a matter of fact it was the police who did the robbing, taking away our pens, our watches and our baggage."

"Do the camp authorities treat you well?"

Don't Want Slavery

"Well, we're in army uniform now. We eat just as soldiers do. We work hard, We have to obey orders. We have to follow the line laid down in camp. But what we worry about most is the way the KMT is driving into slavery those who do not deserve or want slavery."

"I was told 'good' students can be released, even if they are over 15, provided they can find guarantors. Is this so?"

One of the students smiled sourly. "I tried . . . and failed. Not because I'm a 'bad' student, but because if they let out the 'good' students there wouldn't be anyone in the camp for the authorities to look after."

"How many police and students were wounded or killed?"

"We don't know the exact number. Some were wounded or killed, while some just 'disappeared.' Three of our schoolmates from Chien Ming Middle School were killed. But generally speaking it's a question of wounds—whether they were light or heavy."

"Has anyone questioned you?"

"Yes, some of the high ranking Secret Police officers. Like this: 'Why do you shout Down With The Government?', and we reply 'We don't shout 'Down With Good Government,' but 'Down With Reactionary Government.' Then they ask us 'What do you mean by reactionary and good? Are there two governments in China?' and those who can't give a satisfactory answer are considered 'genuine Communists' and haven't a hope."

"Tea-shop gossip has it that some of the students are secretly tortured with electrical instruments. Is this true?"

"It may be true. We've heard that too. But we're cut off from the students in jail, and don't know the real story."

At this point two soldiers came into the room where we were talking and I left.

Principals Removed

So, to eliminate "bad thoughts" and "evil tendencies" among students in Yunnan has meant the removal of 16 principals of provincial agricultural, industrial, commercial and middle schools; the closure of Chien Ming, Yi Kong and Jin Jiang private middle schools; the dismissal of many "untrustworthy" teachers. The lives and health of many students have been affected. And we must turn to government and God for their solicitude in ridding us of "bandits" and "Communists." Free from this menace and untroubled by struggles for freedom and rights, we can go to bed and sleep . . . with our faces to the wall.

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The Civil War Enters Its Third Year

Frederick Lee

(Special Correspondent, The China Weekly Review)

Nanking, Sept. 3.

THE comparative lull on China's battlefront last month has aroused widespread concern in many quarters that in the coming months, China will be clouded by a series of tempestuous and possibly ceaseless military contests which may decide the future of the nation.

Following the vigorous struggle between the Nationalists and the Communists last July, the people's attention has largely been diverted from the military stage to the political and financial battleground where the National Government availed itself of the temporary respite to accomplish many important and drastic steps to cope with the approaching military storm. Currency and other financial reforms have been carried out to help boost war supplies while political leaders in Nanking repeatedly expressed their determination to perpetuate the "bandit suppression campaign," at all costs.

Running side by side, has been the arrest of hundreds of so-called "Red spies," who are mostly student leaders, and at the same time, school authorities throughout the nation reportedly have been instructed to repress all student activities. Even college professors and school teachers were warned of their anti-government attitude. All these suffice to reveal that war efforts have been extensively increased and those hush-hush rumors about a resumption of peace talks which prevailed over the land several weeks ago are now clarified. It is still up to the War God to decide everything.

Communist Offensive

Amidst the political and economic turmoil one may easily overlook the military preparations actively taken by the two warring groups recently, and to some extent, ignore the threatening Autumn offensive of the Communists which, if successfully worked out, would incapacitate all the Kuomintang efforts toward curbing the still existing economic crisis. Inasmuch as the current Gold Yuan is pegged mainly to the prestige of the Government, it is dead certain that any changes in the military status quo will have tremendous bearing on the price situation throughout the whole country.

In the past four weeks both the Nationalists and the Communists have convened military conferences partly for reviewing the costly experiences of the July fighting, and partly for the purpose of preparing for the approaching Autumn drive and counter-drive. What has been finally decided at these closed-door meetings is still a riddle. News reports merely mentioned that these meetings are "rare" and "significant." Nevertheless, when the next battle clarion is sounded the whole picture will be unveiled.

Along with the behind-the-scene discussions, both contesting sides have been busy regrouping their units and swiftly transferring them from one sector to another. The most conspicuous aspects of the troop movements are: first, the concentration of forces in many important localities, such as Changchun, the Manchurian corridor, the Paoting-Peiping-Chengteh line, Taiyuan and Tatung, Central Shensi, Western Hupeh and the devastating triangle of Hsuchow-Chengchow-Tsinan; and second, the stepping up activities of Red General Pang Teh-huai in eastern Shensi and his colleague, General Chen Keng, in the southern part of the province. The latter point is noteworthy because, as past experiences indicates, any serious action taken by the Communists in Shensi province will lead to wide scale and furious battling in Central China.

Nationalist Strategy

Judged from various aspects, the Nationalists are employing different sets of strategy against their opponents in different areas. In Manchuria it appears that they may have to abandon, voluntarily or otherwise, the desolate isle of Changchun and even Mukden with the set purpose of saving their much needed combat units, and will adopt defensive measures around the Chingchow-Chengteh area for checking the entry of the 600,000 Manchurian Reds into China proper.

In North China, after the unexpected failure of the so-called "scorched land and empty house" project, General Fu Tso-yi, Director of the North China Bandit Suppression Headquarters, may still cling to his "fast and mobile strategy" with the minimum aim of protecting the points of, and lines between, Peiping, Tientsin, Paoting, Kalgan, Tatung and Chengteh. In the Northwest, the Nationalists may be well satisfied at keeping the Reds north of the Lunghai line, south of Yulin, Suiyuan, and west of the Kansu border. The chief hope of the Nationalist's Autumn counter drive, as it can easily be seen, is to deal decisive blows at their enemy in Central China so as to partially fulfil President Chiang Kai-shek's promise of "wiping out the Communists south of the Yellow River within a period of three to six months." If this plan were satisfactorily put into effect, not only could the Nationalists frustrate the Communist's premeditated plan of crossing the Yangtze or entering Szechuan, but also turn the military tide for a certain period of time during which, of course, the prevailing economic crisis could be somewhat modified.

Open New Fronts

The Communist Autumn and succeeding drives, as seen from their latest manifesto re-broadcast over the San Francisco radio on August 5, will be fundamentally aimed at the opening of new war fronts in present KMT-controlled areas through the establishment of a strong war base in the North and the consolidation and expansion of their holdings in Central and Eastern China. Although it appears quite likely that war in Manchuria and North China will be stepped up in scope and intensity, the main objective of the Red attempt will still be in Honan, Hupeh, Anhwei and Shantung provinces which will become the center of the life and death struggle in the coming six months. As viewed from the geographical and strategic standpoint, the Hsuchow-Changchow-Tsinan, South Honan and the Kianghan (i.e. between the Yangtze and Han Rivers in Hupeh province) districts will turn out to be the crucial spots of the military contests, the outcome of which will decide the destiny of the last and strongest defense line of the Nationalists—the Yangtze River.

Although these two plans are aimed at strangling each party involved, they have one point in common, and that is, they both take Central China as the No. 1 battleground of the nearing stormy com-

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bat. If this strategically important area were captured by the Communists, it is almost certain that the flames of war would spread over to Hunan, Kwangtung and Kiangsi provinces shortly afterwards.

Apparently the Communists are gaining an upper hand on all battlefields at the moment. They not only have wrested the initiative and overcome their shortcomings in war equipment, but have more soldiers than the opposing side. The following data, gathered and compiled from different sources, will give a rough picture of the present military strength of the two sides:

Region	Nationalists	Communists
Manchuria	300,000	600,000
North China	800,000	900,000
Northwest China	300,000	300,000
Central China	600,000	700.000
East China	250,000	300,000

In addition, we must pay particular attention to the fact that first, the Communists have fast improved their technique in directing large-scale positional warfare, and second, the extensive armed conflict at present is mainly conducted in the KMT-controlled districts, that is, south of the Yellow River, where the state of affairs is unfavorable to the Nationalists because the civilian casualties thus incurred will inevitably fall on the KMT side.

"Mobile vs Mobile"

All these, however, do not necessarily guarantee a success for the Communists in the approaching fighting since war, in some respects, is a sharp competition of making fewer mistakes. In the past two years, the Nationalist High Command has made a number of undeniably grave mistakes, both in tactics and strategy, which led to a series of military setbacks. After years of bloody lessons and experience, however, the Nationalists have learned a great deal from their enemy and finally introduced the current "mobile against mobile strategy," which is basically of a defensive nature. When effectively carried out, it is hoped this strategy can help them retain their forces in the face of menacingly superior Red troops. The withdrawal of the Nationalists from Yenan, Kirin, Loyang, Weihaiwei and other major points in the past few months was taken by some official quarters as factual explanation of this strategy. Nevertheless, one is bound to be skeptical about whether this kind of strategy could be worked on for long, since, unlike the Communists, the National Government could not live without cities. This is one of the chief weaknesses of the current Nationalist strategy.

In the second place, the fate of such a mobile strategy is mainly decided by the attitude of the people in the war areas who are mostly peasants. Without the assistance and cooperation from the peasantry, the well-designed mobile strategy will turn out to be a "runaway strategy."

In the third place, an efficient mobile strategy needs sincere cooperation and intimate coordination of action between the different armies. If one unit is trapped by its opponent, while its comrades in the neighborhood maintain a wait-and-see attitude, no strategy (no matter how sound it may be) could change the fate of that unit.

As such, it is rather doubtful whether or not the current "trump card" (i.e. the "mobile against mobile strategy") could be worked out as effectively as it is expected to. At the time when the Communists openly claim that they are striving for a "decisive victory" in the third year of war, it is advisable and in fact, imperative, for the Nationalists to think out ways of improving their military plan and make less mistakes hereon, instead of pinning their hopes on Washington. Though it is quite possible that the Republicans will intervene in China's Civil War more intensively than the Truman Administration once Dewey is elected President of the United States, it should be kept well in mind that "time waits for no man" particularly when war enters the decisive year in China.

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US POLITICAL OUTLOOK

Alec Stock

THE path of the political prognosticator is one strewn with memories of countless rash individuals who dared to guess and then guessed wrong. Nevertheless, the ranks of the forecasters constantly receive doses of fresh blood, while even those who predicted and lost come back for more—for who forgets more quickly than yesterday's newspaper reader?

With the American presidential election now less than two months off the US press is becoming more and more cluttered with stories pertaining to this great event, while the columnists continue to stroke their typewriters to greater and greater heights in an effort to convey to the great American public just what is bound to happen.

Then, of course, there are the public opinion polls. Long forgotten is the fiasco of 1936 when the "Literary Digest" poll predicted a sweeping victory for Landon over Roosevelt, only to have Roosevelt score a one-sided victory. However, in the years which have elapsed, American "know-how" has taken over, and today, polls such as the Gallup Poll and the Roper Poll are accurate barometers of elections. Nevertheless, the field for crystal-gazing is always wide open to assorted experts, for the polls confine themselves to public opinion on specific questions.

Dewey Favored

By now, it has spread far and wide that the odds are most favorable towards Dewey's winning the election. This is still the general opinion of the "dopesters" as well as the every day citizen fondly known as John Q. Public. However, there is no doubt that Truman's conduct at the Democratic Convention, his ardent backing of the civil liberties issue and his public spanking of the Republican Congress on their "poor record" has caught the eye of the public. While his actions have definitely had an effect on the non-party liberals throughout the nation, there is no doubt that just by "getting his back up" and sounding off, Truman made an impression on the many people who like to see the underdog come up swinging.

The final months of the campaign are going to be rough-and-tumble with no holds barred and no quarter asked. Dewey will win in the end but Truman has shown that he can cause his opponent some trouble and no small amount of worry before the whole thing is over. Before the results are in, Dewey is going to have to get up and deal in something better than platitudes—for instance, what he is going to do about high prices and Russia, to mention a couple.

The high cost of living most likely will be the chief issue, what with living costs already high and continuing to rise. The price of meats, it is feared, will be somewhere up in the clouds by the time the day for ballot casting comes around. Other foods will not be much lower either. Rents keep moving higher and utility costs are on a gradual but steady rise. Wages are up now, but they won't buy as much in November as they did in July. Prices, already higher than in the first half of this year, are likely to be marked up again for a second time when steel, coal and freight rises are felt. In fact, inflation is gaining momentum and is showing signs of getting out of hand. There seems to be more of a tendency to get what the market will bear while the getting is good than to resist price rises by trying to hold back.

Price Controls Dead

Despite all this, price controls are dead. Controls will not come back nor will rationing be renewed. It is fundamental Republican policy to oppose direct government control over wages, prices and distribution of goods. The Republicans, who were in control of Truman's special session, proved that. The President was unable to sell them the idea that the cure for inflation was more government control of business.

Dewey's strategy is to sell the voters the idea that Truman's policies and actions have all added to the rise in the cost of living. Truman's chances would receive a boost if the electorate should blame the Republican Congress, but the signs point to a tendency on the part of Americans to place the blame on the man in the White House rather than on Congress.

Although the present boom can go on and on, the higher it goes, the harder will be the fall when the bottom caves in. The process of the three postwar spirals has been one in which wages have gone up, then prices are increased, then borrowing becomes easier in order to finance building, more money gets put up for Europe and the rest of the world and speculative buying of commodities is encouraged.

The bursting of the boom balloon early in a Dewey Administration, or even any time during its four years, might guarantee it a short life and could make for partial or complete Democratic control of Congress by 1950. Dewey and his advisors will undoubtedly try to prevent any such thing from happening. A Republican administration is likely to tackle the problem of controlling the boom by imposing gentle restraints and exercising a mild check without causing it to blow up into a depression. There is no doubt that, politically speaking, the present boom in America is dynamite when one takes its possible aftermath into consideration. It is going to end sometime in the next Administration and when it does, it remains to be seen how well the Republicans can hang onto their office.

Thus, those who are counting the Democrats out in terms of years are probably making a mistake in calculation. Now that the Covention is over and the showdown has been made over control of the Democratic Party machinery, several cogent points are in evidence:

1) The New Dealers have not been eliminated. 2) Labor unions are being encouraged to stay and to forget about getting involved in a labor party or a third party. 3) The "Southern revolt" was a dud. 4) There are some signs of Henry Wallace and his followers being sounded out on returning to the fold.

The overall result is that the Democratic Party will remain left of the Republicans, hanging around to gather in the votes when the people tire of Republican rule or if and when the Republicans trip over the end of the postwar boom.

In summing up, it can be said that up to Election Day, politics and not economics will hold the spotlight. Though Truman's chances have improved slightly, they are still far below 50-50 and Congress is destined to stay under the Republican banner. For the Republicans, they will get the prize but there is no guarantee that they will have it for a long time. For, after all is said and done, they will be the inheritors of the problems which will follow inflation, just as the Democrats were heirs to the problems which followed the war.

Wallace's Party

All this, of course has not reckoned with Henry Wallace's Progressive Party. There is no doubt that Wallace himself does not seriously believe that he has any chance of gaining the election this year. However, reports seem to point to his party obtaining more votes than had been originally expected.

Some of the important states such as New York, Illinois, and California, containing a large number of electoral votes, will see quite good turnouts for the new party, and to the detriment of Truman.

Wallace's overall plan seems to be to build a foundation for his party in 1948 and have an operating concern going by 1952. Then, it is believed, America will have arrived at or be in the throes of the long expected crash. Unlike the two previous instances of a third party in American history during the 20th century, in 1912 and 1924, the present third party maintains that they are building for the future and their's is not merely a protest movement which the former two were.

ANOTHER CURRENCY REFORM

J. R. Kaim

ALLIED authorities, German officials as well as visitors and reports from various lands reveal that the Allied currency reform in the three Western zones of Germany has so far been a success. Chiefly planned by the Americans, accepted by the French and, at first, critically viewed by the British, the reform, its results, its advantages and shortcomings surely are of both international interest and importance. And so are the methods applied.

As can be understood from many reports, the reform was by no means "just" from all points of view. It brought hardships with it to certain sections of the people, while it did not touch many of the nouveau-riches; the old, the infirm and all those who had not dealt on the black markets but had kept their savings in bank accounts, were hard hit. Those, however, who had made sufficient amounts of inflated money to buy houses or factories were not hit at all. While the owners of bank and saving accounts received 60 new Deutchemarks marks for the counter-value inflated marks though losing the remainder, owners of houses and plants, no matter when they had acquired their possessions and by what means, lost practically nothing.

Some Injustices

However, it appears that such injustices were the only shortcomings of the reform. It is true, on the other hand, that numerous employers tentatively gave notice to members of their staffs, but on the whole, recent reports show that the number of dismissed people so far has been smaller than expected.

Hardship apparently was inevitable. But this has been outweighed by many advantages. The first was that apart from plant owners and houseowners, everybody became equal almost overnight. As a London report put it: "The worker who had previously tried to live on a pre-war level wage of 40 marks a week and the black marketeer who had been spending 1,000 marks a day on food alone, are now in the same position."

Goods suddenly turned up in all show-windows. The black market was glad to get rid of its stocks at prices which frequently were lower than those charged by legitimate shopkeepers. Describing the situation, the *Financial Times* (London) said, "shops that in June could not or would not sell so much as a single razor blade, a reel of cotton, or a bag of nails, now have their windows filled with consumer goods; the black market is no longer rampant; restaurants and hotels are no longer packed with Germans willing to pay hundreds of marks for one black market meal."

Yet, while all windows were packed with consumer goods and while, at first, people bought whatever they saw, glad to do some real shopping, the retail turnover soon declined considerably. As Western zone Germans merely had 60 new marks to spend—they received 20 more a month later—the head of the largest family was "the richest man" whereas the ones who had been rich the day before now were, just as their poor neighbors, the owners of 60 marks. This measure caused an acute cash famine.

The cash famine of course, was wanted by the Allied finance experts. Spending had to be reduced. Farmers and traders tried to sell for cash but could get only a fraction of what they had expected. This led to a normal and automatic decline in prices.

Based On Production

As the new currency is not based on foreign exchange or gold but mainly on a production plan and confidence in it, foreign exchange and gold was not collected. Had the Americans decided to do this, they would have created idle funds which would have looked for commercial possibilities and this obviously was to be avoided. In its first stages, the reform plan was based on the idea that money must remain scarce and no one should possess more than the famous 60 marks plus his normal wages or salary. The Germans were forced to keep American dollars in their pockets for some time. There was nobody to buy them since no one had any cash. Nor, as mentioned above, did the Allied authorities want the dollars.

The first of the three main laws provided for prices, wages and salaries to remain on their pre-reform level, and for a one-week moratorium on all obligations in marks. The second law fixed the issue of new notes at DM 10,000 million. Future increases need a 75 percent majority vote of the directors of the *Bank der Deutschen Laender*. The last of the three currency laws, according to press reports, stated that all cash and other reichsmark holdings would be converted at the rate of 10:1—that is, the rate established for savings and current bank accounts. However, in order to make money as scarce as possible, 50 percent of converted holdings were placed in blocked accounts to be released in principle when economic conditions permit. The other half was placed in "free accounts," from which private individuals could immediately draw 500 marks, and professional people and firms employing more than 20 people 1,000 marks, subject to certain conditions.

All outstanding debts, including investment and insurance obligations, were also written down by the same ratio of 10:1. Outstanding salaries, wages, rents, annuities, and pensions were, however, exempt from this rule.

Some amount of trouble could not be avoided. A few shopwindows were smashed when owners put out all the splendid things they had withheld for many weeks and months. Certain trade and commercial associations, however, tried to hold back goods with a view to "safeguarding prices," a policy which no doubt is against the Allied rule not to form cartels and monopolies.

Makes Reform Success

For it is abundance of goods that has made the reform a success and every effort to decrease the supply of goods is considered sabotage. Shortages in essential commodities, the Allied currency reformers explained, may jeopardize the whole reform.

Firstly, it is pointed out in a British report, the purpose of the reform was to force hoarded stocks of consumer goods into the open by making money scarce. This, states *The Financial Times*, has been achieved to an even greater extent than had been anticipated, while a French report claims that under such conditions, exporters will not have great difficulty in placing their products abroad. Those German authorities who for many months tried to tell the Allies that there were no stocks hoarded lost the battle and lost much face, too.

If those German administrators continue their anti-social actions which probably is caused by their wish to "protect" the quarters from which they were recruited, the reform may be endangered. However, the very fact that the Allies now are aware of the actual state of affairs is expected to bring about a change in their attitude without applying any force. For it had been the plan of the Allies, and particularly of the Americans, to introduce a currency reform that would work "automatically" so that neither the police nor the army would have to be called into action.

Whether this will be possible in the future, too, probably will depend on the intentions of the big trade associations which, acting against the cartel regulations, try to hold goods back, claiming that otherwise there will be insufficient supplies.

Basic foodstuffs, of course, remained rationed to ensure fair distribution. Textiles which are available, provided the prospective buyer has the money, can be bought on ration tickets as well as freely, but on the whole, the turnover in July and during the first half of August was limited.

Obviously, abundance in commodities, scarcity of money and sticking to the rationing system were the chief causes of the success. If goods had been made scarce and money easy, i.e. if raw materials would have been limited and new idle funds been created, the whole system would have been a failure.

Who's Who in China

GENERAL HO YING-CHIN, Minister of National Defense, born at Hsing-i, Kweichow, March 12, 1890; graduated from Kweichow Military Primary School and the Wuchang Military Academy; went to Japan where he entered the Japanese Military Academy in Tokyo,

General Ho Ying-chin

(何應欽)

1909, and joined the Tung Ming Hui; participated in the 1911 Revolution; pursued further studies in Japan; after graduation from that Academy, was appointed principal of the Kweichow Military Institute, Chief of Staff of the Kweichow Army; Commander of a mixed-brigade, and Chief of the Kweiyang Police Department; chief instructor and dean of the Whampoa Military Academy, Canton, 1924; commander of the First Brigade of the Nationalist Army in Kwangtung, 1925; member of the Kuomintang C.E.C., since 1926; when the Nationalist Revolutionary Army began its Northern Expedition, appointed commander of the First Nationalist Army, later was in command of the East Route Revolutionary Army and First Route Army and marched his forces into Fukien, 1926; Minister of War, 1930-44; acting chairman of the Peiping Branch of the National Military Affairs Commission, 1933; in the summer of 1934, he was appointed concurrently Director-General of the Self-government of Inner Mongolia; appointed Resident Representative of the Executive Yuan at Peiping, November, 1935, but did not accept the appointment; chief of staff, National Military Council, 1938-46; member, Standing Committee Kuomintang C.E.C., since 1937; commander-in-chief of Chinese Ground Forces, 1944-46; when the Japanese armed forces of two million men capitulated in China, he was ordered to represent the Generalissimo in accepting the surrender and to supervise the repatriation of the Japanese war prisoners; after the accomplishment of the mission, he was assigned as the chief representative of the Chinese Delegation to the Military Staff Committee of the Security Council, United Nations; chief of the Chinese Military Mission to U.S.A., 1946-48; member of the Strategical Advisory Committee; appointed Minister of National Defense, since June, 1948; conferred with decorations of various merits; author of: Collection of General Ho's Speeches and Statements; Morality of Army Men; Handbook on Army Training; History of China's War of Resistance; address: Ministry of National Defense, Nanking.

The Week's Business

TO say that business in Shanghai was normal during the week ending Wednesday, September 8, would be a misleading statement. In spite of all requests by the authorities to act as usual, businessmen remained cautious. While in some lines, particularly in the textile field, large quantities of semi-finished goods were dumped on the market—under pressure rather than voluntarily—and while prices of such items dropped consequently, supplies in other commodities were comparatively scarce. Huge sales of cotton yarn, for instance, impressed the price level favorably and there can be little doubt that the authorities were quite right in their demand to sell yarn cheaply which was made from raw cotton supplied by the Government at very cheap rates.

Yet, generally, supplies were by no means abundant. Food prices declined a little but in most cases were still far above their August 19 level either directly or indirectly. This means that either prices were actually higher or the quality of the goods offered at August 19 prices was lower than usual. In some lines, however, prices really corresponded to August 19 quotations without any change in the standard of the goods offered for sale.

Debating the price question with various trade organizations, local businessmen during the week under review, tried to solve future price problems without apparently being successful. The chief question they are faced by is that while August 19 prices, which they are ordered to stick to, formerly were based on rates between CN$8,000,000 and CN$10,000,000 for one US dollar, present and future shipments must be paid for on the basis of CN$12,000,000.

During the week under review, the money market was easy with interest rates declining from 10.5 percent per month (or 15 percent around August 23) to less than nine percent and even less than eight percent. Simultaneously, the financial authorities adopted a new credit control system which, they hope, will render the use of cheap bank credits for speculative purposes almost impossible. Chief characteristic of the new system is a stricter control; firms granted bank credits will be submitted to periodic investigations.

Also, during the week under review, the Government decided that shares of five Government owned enterprises were to be put on sale on September 10. The sale, it was reported, will be handled by The Bank of China, the Bank of Communications, the Farmers' Bank and the Taiwan Provincial Government Bank.

Wholesale prices on the various Shanghai markets were erratic during the week under review. Obviously, price movements depended less upon economic developments than on police action; when some industrial tycoons and hong owners were arrested, while others were asked by Major-General Chiang to sign pledges promising to supply goods (at prices not higher than those charged on August 19), many big firms offered their products on the market. The Sung Sin interests, whose manager was arrested some time earlier, decided to sell at least 800 bales of cotton yarn per week at prices below the actual, legal market quotations.

Meanwhile, on Tuesday, September 7, President Chiang Kai-shek ordered all banks to turn over their foreign exchange assets if they wanted to avoid "further actions." Shanghai banks reacted at once. They surrendered their accounts to The Central Bank on Wednesday, last day of the week under review. The banks listed their foreign bonds, shares, all other securities and their cash credit abroad. They also listed their holdings in foreign exchange and gold. While the total amount is still unknown at the time of writing, the frequently estimated sum of US$50,000,000 generally was considered too high. A governmental statement further made it clear that the term foreign exchange assets means all kinds of investment certificates in terms of foreign currency; he also explained that the order does not only refer to banks but to insurance companies as well.

Southward shipments of Taiwan sugar were banned during the week under review, while shipping of cotton yarn and cotton cloth to South China are subject to licencing. Edible oils, it was further decided may be shipped to North China (no shipments to South China are permitted).

During the whole week under review, semi-official market reports stated that on the wholesale markets the demand was dull in most fields. On Wednesday it was also recorded that on the cotton yarn market buyers were inactive and 20's yarns declined below the ceiling price.

Quotations

	Sept. 1 GY$	Sept. 8 GY$
Wheat Flour	6.70	7.25
White Rice, first	20.60	20.80
Peanut Oil	59.80	59 90
Raw Silk "C"	—	—
Jap. Rayon	1,133.50	1,333.50
Cot. Yn. (42)	—	—
Cot. Yn. (20)	—	683.00
Koo Pun Soap	27.00	27.00

NEWS OF THE WEEK

Economic Reform Part Of Triangle; Tragic Death Of Feng Yu-hsiang

The Chinese Government continued to push forward with still greater vigor its economic and currency reforms. Speaking at the Kuomintang weekly memorial service, President Chiang Kai-shek stated the reform measures enforced so far have proved to be "generally sound and practicable." He noted with particular satisfaction the enthusiasm shown by many people in converting their gold, silver and foreign exchange holdings into gold yuan and predicted that the outlook for the new currency was "quite optimistic."

The President, however, deplored the fact that so far some of the commercial banks have failed to report their holdings in gold bullion and United States currency. He said these banks, which are now being streamlined will be dealt with severely if they persist in tampering with Government regulations.

Speaking of complaints about Government employees having their pay cut below levels through the currency change, the President said in so far as the Government had a war to fight, public functionaries should contribute their share by enduring hardships. In this connection he particularly admonished those who are members of the Kuomintang to set an example for others to follow.

The *Associated Press* expressed the opinion that China's new currency reform program is but one leg of the triangle upon which the future of President Chiang Kai-shek's government depends. The others are the political and military establishments whose activities are as much, if not more, in need of overhaul and improvement as was the currency situation.

Competent observers in Nanking, *AP* continued, see no progress toward effective reform of either, despite frequent announcements of plans and schedules for changes, unless President Chiang personally directs them. There is as yet no indication that he intends to "throw out the rascals" who, critics of the present regime say, infest both political and military organizations of the Government.

According to *AP*, reform of the Kuomintang has been the subject of frequent speeches and newspaper articles in recent months. It is becoming more and more apparent that party leaders will not agree to anything approaching a real housecleaning within the organization. Even should the Kuomintang meet and adopt "reform," it is freely predicted that these would be limited to generally unimportant details, leaving the existing political body undisturbed. Most party leaders have been exceedingly vague when asked to explain exactly what reforms they propose to effect.

Most urgent of all is reformation of China's military machine. But observers who have watched for indications of a change have found almost nothing to satisfy their hopes. Some critics insist that the government's fighting forces have on the whole lost rather than gained ground during the summer months.

In conclusion, *AP* said foreign diplomats who have watched the inauguration of the Government's new currency and economic program with a mixture of hope and skepticism are agreed on one point: The nation's political and military structures must be strengthened through improvement and reform unless they are to collapse and pull down the economic establishment with them.

Play Rough

Orientation in China's policy toward Soviet Russia has aroused much speculation. It was rumored that Nanking is going to get tough with Moscow. The action of the military authorities in Lanchow in refusing United States Minister Lewis Clark to fly to Tihwa in his embassy plane brought to light a secret order issued by the Chinese Government to ban all foreign aircraft—except Soviet machines—from operating into the far west provinces. It is understood that a Sino-Soviet Air Pact was signed on September 9, 1939, giving Soviet aircraft exclusive rights to fly over China's northwestern provinces.

But Government spokesman, Dr. Hollington K. Tong officially denied that all foreign planes except Russian planes were forbidden to fly to far western provinces including Sinkiang. He stressed that he was not aware of such an order, saying, "the general ruling of the Chinese Government is that any foreign, private or government, plane which wishes to fly over Chinese territory is required to obtain advance permission from the Chinese authorities concerned."

It was further disclosed that Minister Clark was turned back simply because he had not complied with this procedure. An American source said the reason given by the local Chinese authorities for refusing Minister Clark permission to fly from Lanchow to Tihwa was that clearance from the Chinese Air Force was not adequate and they were not notified in advance of the plane's itinerary.

After this incident, the United States Embassy lodged an informal protest with the Chinese Ministry of Foreign Affairs. Secretary of State George C. Marshall told a press conference in Washington that the Sino-Soviet Air pact granting Russia special air transport rights in Sinkiang has created a 'complicated situation."

Then, the Chinese Government formally notified Russia of its desire to terminate the Sino-Soviet air pact. This dramatic move was generally interpreted as a stiffening of Chinese attitude toward Russia. Sources close to the foreign ministry said the termination notification should dispel any suspicion that the Government is trying to appease the Russians by granting or intending to grant exclusive aviation rights to Russian planes in China's whole northwest.

Tragic Death

The checkered and eventful career of Marshal Feng Yu-hsiang, better known to foreigners as the "Christian General," came to a sudden and dramatic end when he, together with his daughter, was burnt to death on a Soviet motor ship on the Black Sea. At press time no detailed information was available. It is understood that Feng was on his way to North China via Russia to join the Communists and other anti-Nanking groups in setting up a "democratic coalition government."

UP reported from Nanking that Chinese officialdom viewed Feng's death with considerable reserve and appeared not especially excited. Vice Minister of National Defense Chin Teh-chun, who formerly was Feng's subordinate, said the Government is "not particularly concerned" about Feng or his attempt to join in the Communist rebellion. Government spokesman Hollington Tong and Kuomintang Secretary-General Wu Te-chen replied tersely "no comment" when asked about their reactions.

The United States Department of State also withheld official comment on the death of Feng. A spokesman said it was unlikely that the department would make any public statement on the subject, since Feng had been purged from the Chinese Government for disloyalty.

Marshal Li Chi-sen in Hongkong was said to be "shocked" at the news of Feng's death, which he said was a "great loss to the democratic movement in China." Other opposition leaders in Hongkong claimed that Feng's death will not affect the plans for a conference with Chinese Communists for the eventual formation of a coalition government.

AP disclosed that the Chinese Communists, on September 1, proclaimed a 'North China Government." It is said that the aim of the government is "the striking down of American imperialistic and Kuomintang rule in China . . ." It is further alleged that the "people's government" was formed on August 19 at the end of a 13-day session of the "North China Provisional People's Representative Congress, which was said to be composed of peasants, workers, military men, professional

men, industrialists and Democratic League members. It is not yet known how this new people's government will fit into the contemplated "democratic coalition government" for all China.

Anti-Red Bulwark

After three years of Allied occupation, Japan has become an asset and bulwark against new totalitarian advances, General Douglas MacArthur openly assured the worried world on the third anniversary of V-J Day. He said among other things that "Japan stands as an oasis of relative calm in the troubled and turbulent universe."

General MacArthur reiterated his belief that the Japanese have eagerly grasped democracy. "During these three years, the Japanese people have done their part and, in the existing circumstances, done it well—this, despite the austerity of life in the wake of the tragedy or war and disaster. For they have here, in a confused and bewildered world, a calm and ordered society dedicated to the sanctity of peace. Linked by the newly-born Korean Republic and that stalwart land of patriots, the Philippines, Japan now forms a sturdy pillar in the triangular buttress exemplifying before the peoples of the East the wisdom of the democratic concept."

The occupation commander assured the world that there need be no fear concerning the future pattern of Japanese life, for the Japanese people have fully demonstrated both their will and their capacity to absorb into their own culture sound ideas, well tested in the crucible of western experience, in lieu of those concepts responsive to myths and legends which have so handicapped the past. In Tokyo, those practical weapons needed to repel totalitarian advances—liberty, dignity and opportunity—now safely rest in every Japanese hand and the nation has, hereby, become an asset upon which the free world may confidently count."

But the *Central News Agency* discovers a different pattern in Japan. It reports: "Some familiar pre-war political patterns have recently reappeared in Japan. The dominant characteristic of the tendency during the past few months has been the development of extremes of political thinking which in the long run may be significant. A struggle for power in Japan is beginning to involve the ultra right and extreme left. Pre-war nationalistic organizations and their old leaders are 'volunteering' for service against growing influence of the Communists. . . There is no question that SCAP is anti-Communist and will therefore unofficially encourage all forces against Communism as long as basic understanding between the United States and Soviet Russia is non-existent. However, due to the complicated character of the rightist forces and the fact that most of them were proclaimed undesirable by the occupation authorities because of their pre-war and wartime association with the Japanese military, this is an extremely touchy question."

Early Peace

General Chang Chun's visit to Japan has lent color to some rumors. Diplomatic sources in Washington expect China to start a campaign shortly for an early peace treaty with Japan, the *United Press* reported.

The Chinese, it is believed in Washington, will use the argument that Japan cannot start a real economic comeback until after the treaty is signed. This is expected to be a potent selling point with United States officials who see a healthy Japanese economy as a means of countering Communism and also, as a means of lifting the occupation burden from the backs of American taxpayers.

It is believed that General Chang Chun fired the opening gun in the campaign when he told Japanese businessmen in Osaka that China hopes for a "new basis of reciprocity at the earliest possible date" after the treaty is signed.

Chinese sources in Washington said no solution for the Japanese problem is possible until the treaty is signed but a revival of something like normal trade would benefit both Japan and other Asiatic countries.

Although there is no evidence that China is any less fearful of a Japan restored to full prewar power, Chang's visit to General MacArthur is seen as a new direction in Chinese policy.

Meanwhile *Reuter* reports from Tokyo that speculation that Japan would be permitted to rearm if the international situation continued to deteriorate has increased as a result of General MacArthur's statement quoted above.

Truman Speaks

PRESIDENT Harry S. Truman, launching his campaign for the forthcoming November presidential election, said in Detroit on September 6, that "a free and strong labor movement is our best bulwark against Communism." Appealing to organized labor, the President stressed: "If you let the Republican reactionaries get complete control of the Government I would fear not only for the wages and the living standards of working men but for our democratic institutions, free labor and free enterprises."

Election of a "reactionary administration" would bring back "boom and bust" to America, he added. "The boom is for them and the bust is for you."

Referring to the present Republican congress, Truman said: "The Republicans promptly voted themselves a cut in taxes and you a cut in freedom."

Truman's advisers are planning the most extensive and intensive election campaign in the history of the Democratic Party. It is revealed that between the opening of his campaign in Detroit and the election in November, President Truman will be almost continuously "on the road."

Shanghai's American Daily—more than "just a newspaper"

During these trying post-war days, the Shanghai Evening Post and Mercury has slipped into a peculiarly intimate place in the minds and hearts of readers. Perhaps that is because it tries in every way to be as human as your best friend. Read it for true straight news, most of it printed at least 15 hours ahead of other Shanghai papers; for outspoken views; for bright touches and entertainment features which will take your mind off your troubles. For the times, subscription rates are low:

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The Shanghai Evening Post & Mercury

19 Chung Cheng Road, Shanghai (13).

The Review's English Lesson—XLVIII

The following paragraph contains idiomatic words and expressions for you to translate before looking at the definitions.

Towards the end of the 15th century the story began **to float around** 1) the court of Ferdinand and Isabella of Spain that Columbus wished them **to take steps** 2) to send him on an expedition to find a new route to the East by sailing west. At that time men knew a little about islands in the Atlantic Ocean but no one knew of the existence of America as a separate continent, and there **were**, perhaps, **some grounds** 3) for **the dim view** 4) many merchants took of Columbus' proposed voyage. As he himself was penniless he could not undertake the trip **on his own hook** 5) and first asked aid from the King of Portugal who listened to his ideas and then arranged an expedition without his knowledge. This attempt **to steal a march on** 6) Columbus failed, and only served **to alienate** 7) him and make him determined **to upset the king's applecart** 8) and **beat him to the draw** 9). He finally got support in Spain but the discovery of a continent seemed far **beyond the range of** 10) his tiny expedition. His findings **spurred** 11) the Portuguese to new attempts and **paved the way** 12) for many future voyages across the Atlantic. Columbus died ignorant of the fact that he had found a new world. And ignorant of the tremendous **role that new world was to play** 13).

1) **to float around**—to circulate or drift about like an object suspended or moving within a liquid.
2) **to take steps**—to take measures.
3) **were some grounds**—was some foundation. "Grounds" here mean evidence or data on which a belief rests for support.
4) **the dim view** — gloomy or unfavorable judgment or way of regarding a subject of thought.
5) **on his own hook**—with his own resources or means.
6) **steal a march on**—get ahead of or secure advantages over someone without his knowing it, as an army tries to advance or change positions without letting the enemy know of its movements.
7) **to alienate**—to estrange or make inimical. The root of this word is "alien", meaning foreigner.
8) **upset the king's applecart** — derange or disturb the king's plans.
9) **beat him to the draw**—gain the advantage or victory over him by moving more quickly, as in a fight with pistols the man who first pulls out or "draws" his weapon from its holster has the advantage.
10) **beyond the range of**—past the scope of, more than something or someone is capable of.
11) **spurred**—goad to action, as a horse is urged by the pressure of a "spur" or pointed implement attached to the heel of its rider.
12) **paved the way**—prepared smooth, easy means by overcoming or pointing out initial obstacles. "To pave" means to make a level surface for travel by covering with stone or the like.
13) **role that new world was to play**—part or function the new world was to assume. An actor "plays a role" when he takes a part in a drama.

* * *

One of the surest ways to make and keep friends is to express our appreciation for things they have done for us. This may be done by a letter which need not be long and should be natural, sincere, simple, and prompt. For some reason "bread and butter" letters, or notes of appreciation for hospitality shown, often prove a task to the writer and we are, therefore, giving examples of letters which may follow a visit or a dinner. The term "bread and butter" letter, incidentally, is a further illustration of the use of a word expressing a part to signify a whole; the hostess is literally thanked for giving you bread and butter although the idea convoyed is actually appreciation for much more than these simple food items.

Dear Mrs. Potter,

Every moment of my visit at your home last week-end was perfectly delightful. It was wonderful being out in the country and I found it doubly hard to get back to my job and the city heat this morning. Many thanks for the lovely time you gave us all.

Affectionately,
Mary Cunningham.

Dear Mrs. Potter,

I want to tell you again how very much we appreciated the wonderful dinner party you gave for us last Tuesday. Both John and I enjoyed seeing many of our old friends again, and we will remember the dinner as one of the high-lights of our visit to Shanghai. Our thanks for your thoughtfulness and generous hospitality.

Sincerely,
Anita Green.

* * *

In both slang and standard speech it has been a common practice to substitute a special word metaphorically for an ordinary one in order to emphasize one aspect of the idea being expressed. The following words pertaining to animals are used figuratively:

pig-headed—obstinate or stubborn
catty—malicious, spiteful
bovine—patient and sluggish
to bark — speak sharply, abruptly or threateningly
to hog—to take greedily and more than your share
chicken-hearted—cowardly and timid
a sucker—someone easily duped or fooled
cub—young and inexperienced as in "cub reporter".

US Magazine Roundup

Fortune

GILBERT Burck, in his "Report from Indonesia" published in the July 1948 issue of *Fortune* magazine, discusses the deadlock existing today in that country between the Dutch and the Indonesians, as well as resulting economic deterioration, with objective clarity.

"Indonesia," says the author, "is still in the throes of what might be called a shooting truce. A third of its 70 million people are still subjects of the 'rebel' Republican Soekarno, who waits for the day when all Indonesia will be his. Business and industry are half destroyed or out of commission, and the uncertainty of the future has sterilized both the will and the means to rehabilitate.... Tea is growing unpicked, rubber trees are languishing untapped, sugar mills are rusting in the dampness."

The great Dutch and British plantations, more than half the acreage of which is in Republican hands, are producing only about a third of what they did prewar, the article continues. Western Europe is feeling the pinch too. "The Dutch used to derive something like 20 percent of their income from trading with the N.E.I. Without Indonesia, the Netherlands is condemned to be relatively poor" and, as a result, Western Europe and the Marshall plan are faced with harder going.

Mr. Burck commends the objectiveness of the Western press in reporting the Indonesian revolution, but detects a note of moral judgment which seems to say that the Europeans, who had "exploited" the natives for centuries, were now "getting what was coming to them." "Such a judgment," says the author, "is immensely in accord with the humor of the American, who is schooled almost from infancy to identify his native land's virtue and greatness with its successful rebellion against a colonial status.... (However) the US, as the world's most powerful nation, can no longer indulge in the luxury of criticism without taking the responsibility for some of its consequences. It can no longer expect every international problem to be solved merely by reference to its noble ideals."

In reviewing the history and results of Dutch exploitation, the author points out that while early Dutch policies of exclusion and monopoly were notorious, while early Dutch rule was often cruel and ruthless, and while Dutch statesmen once took it for granted that the only purpose of a colony was to enrich the mother country, "the significant development in Dutch as well as British colonial practices is that the practices did change, and changed voluntarily.... The Dutch gradually allowed more political freedom. They erected thousands of schools and hospitals and several colleges." From the point of view of financial exploitation, he further points out that while total European investment in Indonesia has been estimated at around $3 billion, "in 1939 total remittance to Europe was about $60 million, or about 2 percent."

But the wrongs of earlier days are not to be quickly forgotten, or forgiven. "The critical, the significant defect of colonial policy and practice nearly everywhere was not so much the 'exploitation' as its continued application along racial lines.... The average Malay proletarian, tapping his rubber tree or dunking his sawah, probably resented the Dutch no more than the Burmese or Indian proletarian resented the British. It was the above-average Malay who did—the Malay who had managed to steel himself to the languor of the climate, who had educated himself at a Dutch university.... No man is more frustrated than that colonial subject who is superior in most ways to the people whose race alone seems to make them superior.... In the West Indies, in Africa, in all Asia, as in the US and Britain, the most effective leaders of resistance and peoples' parties are intellectuals whose psyches have been wounded, whose talents are unappreciated. Like the British, the Dutch either did not recognize the problem, or did not know how to tackle it."

Mr. Burck concludes: "The Dutch obviously cannot go back to a prewar Indonesia. For better or worse, the natives have their *merdeka* (a war cry meaning freedom) and their leaders will enjoy their sovereignty. But the Dutch, for all their obstinacy, are not fools. They do not wholly agree on what they should or could do, but they are willing to give up a good deal. Even Dutch Socialists, who have always severely criticized colonial policies, are against expropriation or nationalization. From right to left the Dutch want only peace and a measure of economic security. Even many Indonesians who don't like the Dutch want exactly the same things. The trouble is that too few of them—and too few of their Western sympathizers—realize that Indonesia desperately needs foreign capital to rebuild herself. She cannot attract it without some kind of guarantee.

* * *

Business Week

"US Aid to China: Chiang's Last Chance" is the subjective title of an article appearing in the July 10, 1948, issue of *Business Week*. The article says: "The new US aid program will be Chiang Kai-shek's last chance. Either he does a remarkable about-face or the US may be forced to write off the Chiang Government as a total loss.

"China gets $400 million in funds from the foreign-aid appropriations bill signed last week by President Truman. Before this came through, the US had already subsidized Chiang to the tune of some $4 billion since 1945.... and today there is almost nothing to show for the money. The civil war has gone from bad to worse. Promised land and other reforms have failed to materialize. Political chaos has reached new peaks.... Now Congress's latest grant—to be handed out by the Economic Cooperation Administration—is supposed to turn the tide. In the light of China's needs, this is less than a drop in the bucket. And many influential Chinese are saying that as long as Chiang stays in power there is no hope anyway....

"Quite a few Chinese businessmen wonder if America's China-aid program will really build up China against the Communists.... The roots of the Chinese civil war lie deeper than a Moscow-Washington tussle for influence in the Far East. The war grew from a genuine revolt against corruption and feudalism that have flourished under the KMT government for years. Chiang's failure to stamp out these practices has been as catastrophic as his military defeats. He hasn't carried out land reform nor squelched graft and corruption of his army officers and government officials. The malignant rent, tax, and usury system practiced by local and provincial officials—the core of the KMT's right wing—is as much a part of China today as it ever was.

"Spartan Communist leadership—while its methods have been ruthless—has at least given land reform, low taxes, and more efficient local government. These reforms are better ammunition than Japanese guns and bullets turned over by the Russians or equipment captured from Chiang's beleaguered troops.

"If the China-aid program can force Chiang to mend his ways, the US may yet salvage some strategic benefit. More money would be required next year and for many years thereafter. But success this year would at least open up the road to permanent success in the future.

"If Chiang won't come to terms, the US must make a final choice: (1) Grant all-out aid—and just about take control of Chiang's government to carry out reforms. State Department officials estimate this would cost the US$1 billion a year for 10 to 15 years. (2) Withdraw from China completely. This would probably mean the quick downfall of Chiang's government. The door would be open to the Communists, except perhaps for South China.

"So the China-aid program is in many ways the last chance for the US, as well as for China. It must bring order out of chaos in China either with China or without."

What Chinese Papers Say

THE tragic death of Marshal Feng Yu-hsiang drew much interesting editorial comment in the Chinese press last week. Responsibility for the shooting of students in Peiping and the prospects for the Berlin issue also were discussed.

* * *

Christian General

THE independent *Ta Kung Pao* regarded Feng Yu-hsiang's sudden death in Soviet territory at such a time as "an unusual event."

The paper gave a brief account of Feng's career. "Feng was an out-and-out Chinese military man. Beginning as a cook in the Army, he was later promoted to the rank of commander-in-chief and at one time he even ran a government. It was toward the end of the Manchu regime that he became a buck private and received rigorous military training. By the time the campaign against Yuan Shih-kai was launched in 1916, he had already become a brigade commander in Szechuan. He knew how to train and command his troops.

"From the first days of the Chinese Republic until his death, he was a public figure. Though a northern army man, he was connected with the Nationalist revolutionary movement. During the Sino-Japanese War, he was comparatively inactive. But the units formerly under his command did good fighting on the battlefield. Now that he is dead, we may say that militarily he did make a contribution to the Chinese Republic.

"Feng's campaign to overthrow Marshal Wu Pei-fu in 1924 was one of his outstanding achievements, but it was very much disliked by old sticks in North China, who nicknamed him 'General Turncoat.' After the fall of Wu Pei-fu, Feng gained control of Peking. He detained Marshal Tsao Kun and shot Li Yen-ching. His sensational move in kicking Henry Pu Yi out of the imperial palace won much popular sympathy and backing. . ."

A study of Feng's record, the paper concluded, "reveals that he was a man who built his career on old-fashioned Chinese society. From the position of cook, he rose steadily to commander-in-chief. He was an outstanding figure all the time. He was a rebellious type of man. Such a man might increase the trouble of the world or change the course of history. It is hard to say whether he had more merits than demerits. Feng had his merits as well as his demerits and a fair appraisal of the man depends upon the angle from which the appraisal is made. In a word, Feng Yu-hsiang has played a conspicuous role but his era is now over."

The *Chien Hsin Jih Pao* pointed out that "those who are far-sighted have predicted that Feng would have a tragic end." The reasons are: "There are many examples of how the Communists will not tolerate those who belong to a different class. No matter from which angle he was viewed, Feng could not be compared favorably with either of these two men. Now even before he could set foot on Soviet soil he was burnt to death. Though a tragedy, it was something fortunate."

* * *

Shooting Responsibility

GENERAL Fu Tso-yi's move in asking the Central Government to "punish" him alone for the shooting of students in Peiping on July 5 received a good press.

The Kuomintang organ, *Chung Yang Jih Pao*, argued that no matter whether the incident is looked at from the legal point of view or a sentimental point of view, "there is no reason why General Fu should be punished."

The reasons advanced by the paper are that all are equal before the law. Rioting by students is exactly the same as rioting by other kinds of people and is banned by the criminal code. In a democratic nation, there should be no privileged classes and the students do not constitute a privileged class.

Secondly, if the student mobsters who created a riot were not punished while security forces who tried to suppress the riot were punished, the result would be that all educational institutions would become shelters for Communist trouble-makers.

Further, the paper contended that this is the right way for the Government to demonstrate its regard for the students by getting rid of the professional students and Communist spies.

The paper concluded: "The July 5 incident has proved that it is absolutely necessary to purge the mass of students of the Communist spies. Only the purge of Communist spies will be able to ensure the students' security and their opportunity for study."

But the Catholic organ *Yi Shih Pao*, while praising General Fu's courage in assuming responsibility, felt that he should not be completely exonerated from blame or be allowed to free others from blame simply because he has asked the Government to punish him alone.

The paper said: "There are two bad practices the Government has not yet corrected. When something has gone wrong, the Government invariably insisted that its method of doing things is correct, fixing the blame on others who alleged failed to cooperate or on Communist trouble-makers. When some irregularities were discovered, the Government invariably argued that government officials were O.K. and that even of they were to blame, the Government itself would assume the responsibility itself. The result was that the guilty were left unmolested under government protection. These two practices have seriously affected administrative efficiency."

* * *

Berlin Issue

THE *Shun Pao* described the Berlin issue as more than a tug-of-war between Soviet Russia and the United States. "As a matter of fact, the German problem should be a problem common to all Allied nations. The question of how the post-war European situation should be straightened out and how defeated Germany should be controlled so that she will not be able to embark on aggression again is one of common interest to all Allied nations.

"However, the German problem has now become a US-Soviet problem and Germany has become a bone of contention between the two powers. What could be more strange than this? So far the Western powers are concerned, all the steps they have taken, beginning with the merger of the Western occupation zones and ending with the recent currency reformer, have been designed to help Germany achieve her economic recovery so that Germany will become an anti-Communist outpost and that Soviet influence will be prevented from advancing a step further.

"On the other hand, Soviet Russia has been trying by hook or by crook to win the goodwill of the German people in its occupation zone, to promote anti-American sentiment among the Germans and to drive the United States, Britain, and France out of Berlin, so that German Communists may form a 'People's Government' in Berlin. This Government will undoubtedly join the newly-established Communist International and carry on anti-American and imperialistic activities. Therefore, the unprecedentedly serious crisis caused by Soviet blockade of Berlin is, strictly speaking, a battle for Berlin between Soviet Russia and Western powers. It is more than a cold war."

* * *

Commodity Prices

THE *Ta Chung Wan Pao* saw some contradictions in the government's policy to freeze commodity prices at August 19 levels on one hand and to authorize the Finance Ministry and other Government-operated enterprises to "readjust" their rates on a pre-war basis on the other hand. It pointed out that "this is something absolutely impossible."

The paper elaborated: "The Government should act in concert with the people. If it wants the merchants to freeze commodity prices, it should first refrain from leading a price hike. The prices of all goods and services sold by Government-operated enterprises should likewise be frozen on the August 19 level. If this will adversely affect the state-operated enterprises, the Government should subsidize them."

What US Papers Say

THE closing of the two Russian consulates in the US was discussed by a number of US papers in last week's press. Most of the editorials adopted a "good riddance" attitude and did not view the moves as cause for alarm. Other topics commented upon included Japan's present economic status, a review of occupation problems in that country, and US aid to Russia in the 1921-22 famine, and the recently proposed Europe Political Federation.

* * *

Russian Consulates Close

A *Houston* (Texas) *Post* editorial stated that if Russia wouldn't continue her consulates unless they were left "to operate as nests of spies and espionage," it was better that they close. The paper felt that it would be all to the good to have "two less fifth-column headquarters to watch than before; two less agencies . . . recruiting spies among American Commies to carry on treasonable snooping for information that might be used in the movement to overthrow our Government," and continued:

"As for the Russian demand that two American consulates in Russia be closed—the one at Vladivostok and the one which was to be opened in Leningrad—they may almost as well be closed for all the good they can do. Russia is doing practically no business with the United States and allows few Americans to enter the country. The American ambassador himself is able to transact very little business there much less a consul . . .

The *Detroit* (Michigan) *News*, feeling that the matter was "not so serious," simply being "a further illustration of the irascibility now characterizing Russo-American relations in general." It pointed out that while the closing of embassies, or the breaking of diplomatic relations, was the gravest declaration short of war and that peaceful relations were no longer possible between two countries, consular relations were concerned only with matters of trade and travel and their cessation in the case of Russia was "hardly more than a gesture."

* * *

Japan's Economic Status

ALTHOUGH the latest SCAP report showed Japan's industrial output for June to have reached 52.7 per cent of the 1930-34 average, a recent *Los Angeles Times* editorial was critical of economic policies toward Japan during the three years since V-J Day.

Citing the widespread attention given the economic status of Germany, the West Coast paper asserted that the demilitarization and political reorganization of Japan has been accomplished "but the economic phase is still in the planning stage, and sketchy plans at that. We cannot turn the Japanese loose until after a peace treaty becomes effective," the *Times* said, "and if we must wait for Russia's approval of a treaty we are likely to wait a long time. Hence, the Japanese situation simply rocks along—at an American cost of nearly one million dollars a day."

Observing that Japan's present population of nearly 78,000,000 is expected to increase to about 82,000,000 in the next four years, the paper asked how they will pay for food imports if deprived of industrial capacity. "The Far Eastern Commission has fixed the economic level permitted to the Japanese at the 1930-34 average, when the population in the home islands was 66,000,000," the *Times* said. "This is not encouraging to the additional 12,000,000, or the 4,000,000 more expected by 1952."

The third anniversary of the formal surrender of Japan was the occasion of an editorial in the *Christian Science Monitor* on the occupation of Japan. It said in part: "The objectives of the Potsdam declaration in regard to Japanese occupation were three: disarmament, democratization, and economic recovery. Under General MacArthur, disarmament was accomplished quickly and brilliantly . . . Emphasis of the occupation has now shifted to economic recovery. The purpose is to relieve the American taxpayer of a costly burden, and to provide conditions of economic health which, it is hoped, will prevent Japan from turning in desperation to the extreme right or left."

The editorial then outlined problems relating to such economic recovery, in the solution of which it pointed out that "Americans need to realize the fear of Japan's Far Eastern neighbors—which have suffered so disastrously from its attentions in the past—that the rising sun may again follow the familiar pattern of economic and ultimately military aggression. It is conceivable that a revived but unregenerated Japan might even switch to an alignment with any great power which could offer it temporary material advantage.

"Hence the crucial importance of the third aim set forth in the Potsdam declaration: democratization. For this purpose, three years is little enough. Three generations is the sober estimate of Japanese liberals themselves . . . "There is no easy answer. To pull out of Japan quickly after its superficial democratization, would not help—nor is it likely under present international tensions, which make conclusion of a Japanese peace treaty unlikely for some time to come. The United States still has a job to do which no atomic bomb can bring to a swift, decisive conclusion."

* * *

Aid To Russia

THE *Cincinnati* (Ohio) *Times-Star* dug back into history in its editorial entitled "Russia Forgets Easily" to bring to light the facts about the great Russian famine in 1921 when Maxim Gorky, by permission of his Government, wrote his appeal for aid "to all honest people of Europe and America." The account describes the districts along the lower Volga where some 25,000,000 people were subsisting on grass, acorns, clay and rodents

"By March 1922," the editorial continues, "American food sent in had arrested the tides of death. By August, ARA was feeding over 10,500,000 Russian children and adults a day. . . .

"The Soviet Council of People's Commissars assured Hoover of Russia's "deeply felt gratitude" and thanked him for ARA's "boundless and entirely unselfish efforts . . . in the name of the millions of people who have been saved." The concluding words: "The people of the USSR never will forget the aid rendered them by the American people, holding it to be a pledge of future friendship of the two nations."

"And now *Pravda*, organ of the Russian Communist Party, sees in the Marshall Plan (also a relief program) 'the grinning snout of the imperialist beast of prey peeping from behind coquettishly intertwined olive twigs.' This leaves us so nearly speechless that all we can say is that we are sorry—not that Americans sprang to the relief of their stricken Russian brothers, but that an official spokesman of the latter venting boundless malice could forget so soon and completely."

* * *

European Union

THE public endorsement by the State Department of a French proposal that the five Brussels pact signatories prepare the groundwork for the establishment of a representative European assembly, is meeting with approval of U.S. newspapers.

The *St. Louis Post-Dispatch*, a frequent commentator on this subject, said in part: "Attlee says that he favors a European political federation but that 'this is not the right time.' If this is not the 'right time,' when will a right time present itself? Now Europe is peculiarly beset by economic problems which unity would help remove. It is threatened by Soviet imperialism, which should be and is a powerful influx for the Western European nations to forget their jealousies and unite for common safety.

"The movement for European federation is supported by the United States with whatever leverage is gained by this country's gift of billions of dollars for European recovery. This aid is predicated on the economic unification of Europe and it should be clear by now that no real economic unity can be attained without a considerable degree of political unity . . . A Europe disunited cannot be expected long to remain a Europe at peace."

NEW BOOKS OF INTEREST

World Cooperation

THE WHITE MAN'S PEACE: *An Oriental View of our Attempts at Making World Peace. By No-Yong Park. Published by Meador Publishing Company, Boston, 1948. 252 pages. U.S.$3.00. Reviewed by F. M. Roberts.*

No-Yong Park, a Chinese born in Manchuria, who has spent a large part of his life in the United States, asks if the "white man" can unite the world for universal peace. Although he sub-titles his book "An Oriental View of our Attempts at Making Peace," there is nothing essentially oriental in the opinions expressed. Nor is there any point of view which would be foreign to a western student of oriental and world affairs. Dr. Park writes as a lecturer rather than as a scholar, and this is not surprising since much of his time in the United States is spent in lecturing to various audiences.

The book discusses the attempts of the western powers to make peace in Asia and the rest of the world. (The idea implicit here reverses the idea that international peace is the norm, which is threatened by belligerent nations). Dr. Park holds that all warlike cultures are products of international anarchy, since peoples can survive only by developing militant cultures and institutions. Therefore, the way to peace must be through the creation of a world organization to preserve justice among nations, in order that nations will not be forced for the sake of survival to develop militant civilizations. In the United Nations such an organization exists.

The last section deals with the making of peace in Asia. Here the author, like countless others, sees the meeting of Russia and the western democracies in a rivalry extending from the Arab states to Japan. He gives particular emphasis to Korea, using it as a typical case. What he says of Korea is true of many countries, "The United States has more benefits to offer in every way, but the Soviet Union, because of her geographical propinquity, can successfully challenge America's bid for leadership."

Dr. Park is perhaps too optimistic (or too much the platform speaker) when he writes "If the powerful states work together, they can create peace in China as well as in other countries with the wave of the wand." (Some pages later the author admits other reasons for strife in China, among them poverty, poor living conditions, primitive agriculture and industry).

Many of the points raised by Dr. Park are also to be found in "Toward World Peace," the new book by Henry A. Wallace, Progressive Party candidate for the U.S. presidency. Perhaps this very fact tells more than a review for any single book, namely—men of good will, who are looking to international peace will find themselves in essential agreement. This makes for a monotony in book writing, but does not vitiate the basic principle: international cooperation or destruction.

Communist Movement

WORLD COMMUNISM TODAY, *by Martin Ebon. Published by Whittlesey House, McGraw-Hill Book Company, Inc., New York and Toronto, 1948. 535 pp. U.S.$4.50. Reviewed by Donald Roberts.*

Communism, says Martin Ebon, author of "World Communism Today," "has a head start" over its antagonists. It has "an answer to every question." Its advocates use "carefully worked out methods;" they "avoid obstacles." The death of a Zhdanov, the intransigence of a Tito, events too recent to have a place in Mr. Ebon's book, would be described by him as only "part of one great movement, which is fully grasped only when viewed as a whole." Hence, his aim to give a world picture of the movement.

The book runs to 482 pages of text, has an appendix of twelve pages, a bibliography of thirteen pages, and an index. The appendix gives the estimated membership, the leaders, and the key publications for all the various countries. The history, leadership, organization, and policies of the Communist parties are discussed country by country.

The strength of Communism is found to lie in its psychological appeal; but also, as has already been said, in its strategies. These vary according to time and place. (Here, one might add, lies the revolutionary value of the historical dialectic; the party line determines just what moment is to be chosen for disadjustment or adjustment).

First came the strategy of immediate world revolution (1919-20), then it was agitation rather than revolt (1921-27), then revolutionary extremism in Russia alone (1928-34), then a "united front" (1935-38), then "imperialist war" (1939-40), then a united war effort (1941-45), and then the "seventh strategy"—national revolutions. This last phase includes the united front which has proved in fact the most successful of all the techniques. We are living in the post-war period of the "seventh strategy," in which the class struggle is carried on within each nation through coalitions with various other parties and with nationalists. The Communist expatriates have returned to their homelands—Dmitrov to Bulgaria, Bierut to Poland, Gottwald to Czechoslovakia, Anna Pauker to Rumania, Togliatti to Italy, Thorez to France.

The book has the defects of its virtues. Because it takes up the Communist parties country by country it seems lacking in its overall evaluation. It is historical and analytical, but not sufficiently either. But it does survey the world scene, and it is up to date, including in its appendix the resolution which created the Communist Information Bureau in Belgrade in September, 1947. Here in the Cominform, the seventh strategy leads back to the third, that of extremism in Russia alone, making the national Communist parties outposts of the Soviet Union. (The rift within Communist ranks created by Tito is too recent to have a place in this book, but it affords an interesting illustration of the attempted strategy).

Turning to Asia we find 35 pages given to Japan, Korea and China, and about the same space to the Southeast Pacific. The Social Democrats in Japan overwhelmed the Communists in the spring election of 1947 but "the Japanese Communist Party can be expected to make a comeback, should the country's critical economic situation grow chaotic." In Southern Korea, "the Communist Party for all practical purposes become an anti-American underground movement . . . receiving support from the Northern zone."

Since the 38th parallel represents a buffer territory and the Northern zone is wholly Communist, the difference makes for an insoluble problem and continued military occupation. (The recent recognition of an independent Korea by the United States was a tactical movement through which by contrast a "head-start" was captured over the Communities).

The history of the Communist Party in China is told briefly from its foundation by Mao Tse-tung in 1921 to General Marshall's attempts at conciliation. The feud between Kuomintang and Kung-chantang is revised, and the conclusion is no better than yours or any man's—"No End in Sight."

The appeal of Communism has gone beyond the intellectuals, says the author. Fear of insecurity, and the inability of capitalist society to halt cycles of depression, call for more consciousness of social interdependence and responsibility. "Among the weapons in tomorrow's struggle only security can make fear obsolete."

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